
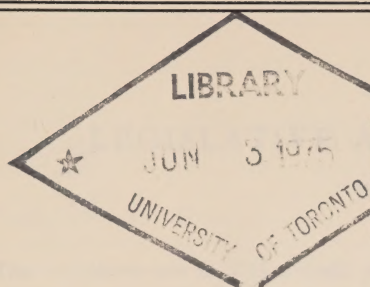


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Legislature of Ontario Debates

ESTIMATES, MINISTRY OF COMMUNITY AND SOCIAL SERVICES

Standing Social Development Committee⁵⁷

Chairman: Mr. R. G. Hodgson

OFFICIAL REPORT — DAILY EDITION

Fifth Session of the Twenty-Ninth Legislature

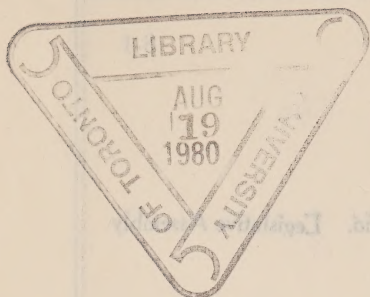
Monday, May 5, 1975

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

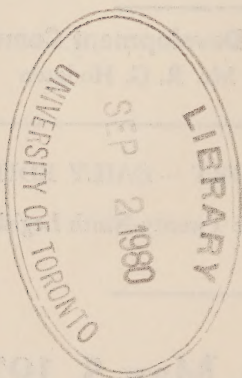
THE QUEEN'S PRINTER
PARLIAMENT BUILDINGS, TORONTO
1975





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LEGISLATIVE ASSEMBLY OF ONTARIO

MONDAY, MAY 5, 1975

The committee met at 3:15 o'clock, p.m.

ESTIMATES, MINISTRY OF COMMUNITY AND SOCIAL SERVICES

Mr. Chairman: Mr. Minister, would you introduce your staff?

Hon. R. Brunelle (Minister of Community and Social Services): Thank you, Mr. Chairman. Members of the committee, it is a pleasure to be before you again to present our estimates for the fiscal year 1975-1976.

To introduce my staff, Mr. Chairman: On my immediate left, Miss Crittenden, the deputy minister; Peter Capps, the co-ordinator for our ministry of the social development policy field; next, Mr. Al Gordon, assistant deputy minister, programme development; on the right, Miss Andrea Walker of our legal department; on the extreme left, Mr. Jack McKnight, executive director of financial and administrative services, and Mr. Graham Mudge, who is an assistant to Miss Crittenden.

Mr. E. W. Martel (Sudbury East): Were you cheering for Bill Davis?

Mr. Chairman: That is out of order, Mr. Martel.

Hon. Mr. Brunelle: There were so many cheering, Mr. Chairman—

Mr. Chairman: I would ask the members to please speak into the mike to facilitate the recording by Hansard. I would ask the minister, does he have any opening statement to make?

Hon. Mr. Brunelle: Yes, I do, Mr. Chairman. I hope the members will bear with me. I think the information that I have deals with our programmes. Some of it has been reported in the press, especially on the income security review. I'm sure the members would like to hear the results of our discussions in Ottawa last week as well as the previous conferences.

The first matter deals with the social security review. First, Mr. Chairman, I believe our staff has made available to each member a copy of this. If not, please let us know. Mrs. Jacobsen is handing them out now.

I would like first to discuss developments in the federal-provincial review of social security. As the members will be aware, this review has included two major components—income security and social services. I would like to outline developments from the beginning of the review, leading up to my comments on the present situation.

The social security review commenced in the spring of 1973, at the request of the provincial ministers of welfare. The ministers recognized that both the income security system and the framework for social services in Canada were not adequate to meet the changing social needs of contemporary Canadian society. The general objective of the review was, therefore, to develop improved and more responsive social security provisions in Canada through joint federal-provincial consultations and cost-sharing arrangements.

In order to undertake this task, the federal and provincial ministers established themselves as a committee to oversee the work to be done by officials who would be developing plans for an improved social security system. The overall timetable for this major undertaking was expected to be approximately five years. The first two years were to be devoted to a study phase, for the purpose of reviewing the existing situation and preparing recommendations about future directions. The remaining three years were to be devoted to completing the details of the design that was accepted and bringing about its implementation.

I would like to turn first to the subject of income security.

Income security review: The initial stages of the income security review were given over to work in two main areas: first, interim changes to provide improvements in the system, pending the development of a more comprehensive approach; secondly, the development of broad objectives for reform.

With respect to the interim changes, a number of these were made in existing programmes through federal-provincial negotiations. They were made in recognition of the fact that the development of a new framework would take considerable time and effort and, therefore, interim changes which were con-

sistent with the objectives of the review were introduced. These changes included the following:

Family allowances were more than doubled to provide direct assistance to low income families. These payments were also escalated in accordance with the consumer price index.

In addition, the Canada Pension Plan was revised, as it was generally recognized that benefits under the plan had not kept pace with increases in real incomes and prices. As a result, the provinces and the federal government worked together to increase pension benefits and to provide for full escalation of benefits for cost-of-living increases. Further improvements to the plan included the elimination of discrimination on the basis of sex and the abolition of an earnings test which had been a source of concern to many.

These interim steps were taken through federal-provincial consultation. In keeping with the spirit of the review, Ontario initiated a number of improvements designed to assist low-income residents of the province, and to serve as incremental steps toward the broad objectives of the review.

In July, 1974, Ontario introduced the GAINS programme for the elderly and disabled. Benefit levels under that programme have been progressively increased, and the GAINS rate for the disabled and the elderly is now, as of May 1, 1975, \$240 per month for a single person, and \$480 for a couple.

At the same time, the province introduced a free drug programme for recipients of all our social assistance programmes. As you are aware, the recent Ontario budget extended these drug benefits to all aged persons in Ontario.

Ontario has also introduced measures to assist low-income residents through the tax system. One of the initial difficulties in attempting to assist those who are employed on very low incomes is that these people were adversely affected by the income tax arrangements which assessed taxes at extremely low levels of income. In order to alleviate this problem, Ontario enriched its refundable tax credit system during 1974. A further step was taken in the 1975 budget that had the effect of abolishing personal income taxes for some 450,000 low-income taxpayers.

In 1974, as well, low-income employed persons became eligible for special assistance through the municipalities. The province is now negotiating with three municipalities for the development of demonstration programmes for the provision of cash supplements for the

working poor. Our objective in these demonstration programmes is to obtain practical experience in this complex area, in anticipation of the development of a general income supplementation system through the federal-provincial review.

I have now outlined the interim steps that have been taken by the province, and through federal-provincial negotiation. I would now like to turn to the main substance of the review.

The major focus of the review has been oriented toward changes in two key components of income security:

(a) The development of a new "support system." By that I mean an improved programme to assist the disabled and handicapped, the unemployable, mothers with children—in short, those persons who are unable or not expected to work and the temporarily unemployed. Such a programme would replace our existing family benefits and general welfare assistance programmes.

(b) The second component is the development of an effective income supplementation system to provide direct financial assistance to the working poor—people who are members of the labour force but are receiving very low incomes. An important aspect of this programme is to ensure that the arrangements are designed to provide positive incentives for recipients to continue participation in the labour force.

I would like, at this time, to interject a comment about the role of social insurance programmes. The income security review has not ignored the importance of the further development of preventive social insurance programmes. Ontario shares the view, held by others as well, that wherever possible adequate protection against unemployment, illness, disability and retirement should be provided through contributory insurance schemes, providing benefits as a right to contributors.

This area has not been ignored by the review, and working committees have been studying, from time to time, the relationship between social insurance and other programmes. Ontario, in particular, recognizes the need for improvements in social insurance programmes. The primary thrust in the federal-provincial review, at this time, however, is dealing with what appears to be the most urgent problem: the existing welfare system and the need for supplementation for the working poor.

Returning now to the question of support and supplementation, the major issues are: What kind of system should we have? Who

should operate the system? How should it be financed?

Until very recently, all our attention has been devoted to the first of these—what is the most appropriate structure for income security? In this regard, the working party has produced a document describing all the options and outlining technical problems associated with each option. This document is entitled "Background Paper on Income Support and Supplementation" and has been distributed to members of the committee.

As a result of the discussions of the various options, the option preferred by the federal government and a number of the provinces is a two-part system—that is, two distinct programmes, one for support and one for the supplementation of the low-income employed. It is basically this proposal you have no doubt read about recently in the press. In this regard, Mr. Lalonde has proposed to his colleagues:

1. That a new support system, based on an income test rather than a needs test, should be implemented by about April, 1976;

2. That within one to two years following this, a new supplementation system should be implemented, with parallel adjustments to social insurance programmes to accommodate this new initiative.

With the adoption of a two-stage implementation plan, we will now be concentrating our efforts on the first phase of this plan—a new support system. Parallel work will, of course, be continuing on the supplementation programme which, I should note, is more difficult to develop. It is also more controversial, as there are differing views among the participants in the review as to how it should be designed and implemented. It will also involve some adjustments to the personal income tax system. As you are aware, to date Ontario has favoured the use of a tax credit mechanism.

I have distributed to each member of the committee a copy of the communique issued by the ministers following our discussions of last week. You will note from that document that officials will now be working on details of an operational design for support and supplementation, and that the ministers will again be meeting in September to review the work completed to that date. You will also note that the ministers agreed to an independent evaluation of alternative delivery systems for the supplementation component of the new system.

The federal-provincial review is, of course, a major preoccupation of the ministry. At the

same time, I want to emphasize that we see income security in a broad context, including both direct and indirect income transfers, and certain elements of policies that affect income, such as taxation, health premiums and housing subsidies. In this respect, our planning staff are working on many fronts, with the objective of co-ordinating in a more effective manner, programmes involving income transfers.

In concluding this part of my remarks, I want to express my own desire to work toward a simpler, more effective system which is more comprehensible to the recipient. To me, that means broader and more effective coverage, fewer and better-co-ordinated programmes, and possibly some changes in administrative responsibility. I realize that this will not be easy. The system we now have has been built up over 50 years by three levels of government. A great variety of specific programmes, each designed for a different purpose, has been delivered by a large number of agencies. The evolution of that system toward a more rational and better co-ordinated approach is an extremely complex task. I do believe, however, that we're making significant progress, as my remarks have indicated.

I will now turn to a discussion of the social services component of the federal-provincial review of social security.

It was recognized from the beginning that a review of social service programmes in Canada and of federal-provincial cost-sharing arrangements would need to go hand in hand with a study of income maintenance. As was the case with income maintenance, the arrangements for cost-sharing of social service programmes have greatly influenced the design of these programmes in all provinces. In recent years, however, social needs have changed, new needs have emerged, and there is clearly a requirement for more flexible and dynamic social programmes. Existing programmes have not always been able to respond to this changing situation, and there has been a general feeling among the ministers that the development of a more responsive and flexible cost-sharing arrangement was an urgent need.

The overall objective of the social services review is, therefore, to develop the means by which social programmes can be designed, funded, and implemented that would meet the pressing social needs of Canadians, and that would incorporate adequate flexibility. For this purpose, a committee of officials has been working under broad terms of reference, but also with specific concerns regarding

the two major means of federal-provincial cost-sharing: the Canada Assistance Plan, and the vocational rehabilitation of disabled persons agreement.

Before proceeding further to outline the progress of the review to date, I would like to summarize for the members the main problems we in Ontario are experiencing with these current arrangements. We have, from time to time, made representations to the federal government requesting the broadening of the vocational rehabilitation agreement to include a broader range of services than is now available under the agreement to assist the handicapped prepare for and retain gainful employment. In addition, because of our view that services are often beneficial to the handicapped, even when employment is not the objective, we have urged the incorporation into the agreement of services additional to those that are employment-related.

With reference to the Canada Assistance Plan, I would like to make several points. As you are aware, this statute provides for sharing with the provinces the costs of social services for those who are in need, or who are likely to be in need, if the services are not provided. The concept of those likely to be in need has not, generally speaking, been found to be a useful approach. Serious problems have been encountered in defining the target groups and in identifying the costs of services for sharing purposes. The result of this is that sharable services are primarily services offered to those determined to be in financial need by the use of a needs test. Eligibility for services is thus tied to financial need.

It is Ontario's view that it is often appropriate that those able to pay for services should pay according to their financial resources. At the same time, there are also certain services, particularly community-oriented services for co-ordination, information, outreach to youth and others, for which it is not appropriate to charge. And there are other services where it is desirable to have greater flexibility in determining levels of subsidy available to various income levels. We have, therefore, been advocating a revised basis for federal cost-sharing that would overcome these difficulties.

Following receipt of a report on social services, and discussion by the ministers at the conference in February, 1975, Mr. Lalonde has now proposed a framework for a new Social Services Act. The main outline of the proposal is included in the communique to which I referred earlier. You will note that

the basic framework of the proposed Act was agreed to at the meeting, and that the date of implementation toward which we are working is early in 1976.

I will not review in detail the new proposal since you have it before you, but I would like to comment on several of its features. Ontario is pleased to see this new proposal, and we feel that it contains a good deal of potential for the improvement of social services and for the development of a more flexible approach. We are also pleased that the federal government has broadened cost-sharing provisions for rehabilitation services, and for support services for the aged and handicapped.

In reviewing the outline, you will note that services are to be identified and placed in one of several categories. Initially, each social service will be placed in one of the categories for the purposes of cost-sharing with the federal government. As Mr. Lalonde explained, it is the intention of the federal government that the framework will be a dynamic instrument and services will be moved from one category to another as appropriate, and after consultation with the provinces. The potential for improvement through this means is certainly great, and we are hopeful that this potential will be realized.

The matter has now been referred for further work to the deputy ministers. A great deal of consultation and negotiation remains to be done, for only as the details are worked out will we be able to determine the extent to which the new arrangement will successfully meet the requirements for an improved system.

The mental retardation services is a very important programme of our ministry; services to mentally retarded persons comprise one of the major programmes of this ministry. We are responsible for operating 15 mental retardation facilities which provide residential care and training to over 7,000 adults and children. In addition, the government funds the local associations for the mentally retarded and other private charitable organizations for community-based services, such as day care and developmental centres, sheltered workshops, community residences, and support services.

Following the Williston report of 1971 and the green paper entitled "Community Living for the Mentally Retarded: A New Policy Focus" in 1973, our efforts have been directed primarily toward developing community-based services for the mentally retarded and their families.

Since the transfer of the responsibility for the mental retardation facilities from the Ministry of Health to this ministry, the efforts directed to promoting the community living emphasis has lead to many significant changes. These changes have been made possible in large part as a result of the moneys received under the Canada Assistance Plan. We expect to attract federal cost-sharing of approximately \$30 million per year and have designated that money for developing services to the mentally retarded.

Capital grants and operating subsidies to sheltered workshops have been increased significantly under the Vocational Rehabilitation Services Act. Capital grants for community residences have been increased under the Homes for Retarded Persons Act. Operating subsidies for developmental centres and day-care centres for handicapped children have been increased in recognition of the principle that these families should not be required to pay more for services than families of non-handicapped children.

To improve the ability to plan and co-ordinate services for the mentally retarded across the province, we have appointed a co-ordinator in each of our 19 ministry districts. District working groups composed of professionals and volunteers from various organizations are being established in each district to prepare a plan for services to the mentally retarded.

To ensure that services to the individual are co-ordinated, the adult protective services programme has been expanded and presently serves approximately 1,000 mentally retarded adults living in communities.

Grants have been provided to a number of local associations for the mentally retarded to try out new services and methods of service delivery.

These developments have been made in recognition of the fact that community services must be expanded and diversified if the community living orientation is to be achieved.

Certainly the key task of the past year has been to develop a detailed community services programme and implementation plan. In co-operation with the Ontario Association for the Mentally Retarded, we have developed a plan that will provide for a significant increase in community based living opportunities and support services.

The plan for community services for the mentally retarded: The long-term programme objectives of the mental retardation pro-

gramme are to provide for a reduction in the incidence and severity of mental retardation and an increase in the extent of normal living opportunities for mentally retarded people.

In the long run, it is important that we find ways to prevent mental retardation and also to reduce the handicapped condition in every possible way. Aside from research into the causes of and treatment for mental retardation, early childhood services and services to families are often the most important preventive measures.

In regard to normal living—

Mr. Martel: You have done something in the field of dieting, I presume?

Hon. Mr. Brunelle: Oh, yes. In regard to normal living opportunities or increased community resources, it is important that services be developed in the communities in advance of any plans for discharging residents from the mental retardation facilities. In this regard, we have developed a five-year strategy for improving the capacity of mentally retarded persons to live in a more normal situation and also an increase in the capacity of communities to serve retarded persons.

An essential part of the five-year strategy will be an emphasis on the rehabilitation of residents in the mental retardation facilities. For those mentally retarded persons who have potential for living in the community, greater efforts will be made for their training and preparation for a return to the community. Naturally, careful individual planning will be required for each person who is a candidate for transfer to a community setting.

Over the next five years, we will increase the extent of community-based accommodation options, work and training options, and support services, thereby allowing community living as appropriate for retarded persons now in institutions and for those now in the community who are not receiving adequate service.

Further, we will develop and implement a range of community-based support programmes for retarded children and their families, thereby reducing the need for placement in institutions. Over the long run, highest priority should be given toward the provision of services to children and their families. Many of these services, however, have not been fully rationalized or tested, and specific and pilot projects will be initiated in this regard.

In recognition of the great need for services for many retarded adults now in facilities and

for those in the community, we intend to concentrate this year on an expansion and diversification of accommodation, work and training, and support services for retarded adults.

The thrust of the entire programme will be oriented toward the provision of programmes for the individual in respect of his particular needs. Individual programme plans will be developed for each retarded person to ensure that every person's requirements can be identified and the most appropriate services provided. In this regard, a range of alternatives for each programme will be developed.

The accommodation programme area: We intend to assist local associations for the mentally retarded, and other charitable corporations, in the development of a comprehensive co-ordinated range of accommodation alternatives for retarded children and adults in the community. Recognition will be given to the fact that different people require different degrees of services and supervision, and, therefore, many different types of living situations will be developed.

It is recognized that many communities are concerned about the development of large numbers of group homes. Some fear an over-concentration of group homes in their neighbourhood, while others are simply opposed to having people who are different, or who have social problems, living nearby. In recognition of these concerns, we feel it is important to involve communities to whatever extent possible in the planning of accommodation for mentally retarded persons. The associations for the mentally retarded have stressed to us the importance of planning openly for community residences, group homes and boarding homes, with the full knowledge of the community and with sensitivity to its concerns.

To meet the needs of mentally retarded persons, I have indicated that a variety of accommodation settings will be utilized in relation to the needs of the individual. For children, we plan to develop four types of community accommodation alternatives to the institution. We do not intend to implement these four types of homes for children in the current year, although detailed planning for them will take place.

To serve children with severe developmental handicaps, requiring physical care and intensive stimulation, we intend to develop what is known as a core residence. This residence will house up to 16 children who will receive highly specialized developmental services with a view to increasing their functioning ability.

Another type of setting for children who are unable to live at home as a result of a severe developmental handicap is the special support home, which will house up to eight children. This particular facility will provide extensive programming in social skills and hopefully prepare children for living in a less intensively supervised setting.

For children with less severe developmental handicaps there are plans to develop small family-type group homes with live-in house parents for children who can attend schools for the handicapped. It will also be important to utilize foster homes for smaller numbers of children. This family-type living situation, of course emphasizes normal family relationships and would be appropriate for school-age children who are unable to live with their families.

In the current year we intend to concentrate mainly on accommodation alternatives for adults. In recognition of the different abilities of retarded adults, it is proposed that seven alternatives to institutional living be made available.

For severely retarded adults who require considerable attention and personal care, a care residence for up to 16 persons would be appropriate.

Special support homes will be developed for those retarded adults who require personal attention and support, but are able to attend adult occupational centres during the day.

For those adults who are able to work in sheltered, semi-sheltered or independent employment, but require some assistance with personal and social needs, some group homes for up to eight persons will be developed. For those adult retarded persons who require intensive training in social skills, a short-term limited-stay adult training home is envisaged.

Boarding homes with support and follow-up services are also appropriate for many retarded adults.

For those who can live more independently, it is recommended that co-operative apartments be funded with only a minimum of support services provided to the adults who live there.

Finally, of course, there are many retarded adults who require no supervision whatsoever, but occasionally require special support services. Certainly we hope that many retarded persons will be able to live independently with a minimum of support.

It is expected that this accommodation programme will promote the development of

social skills that will assist retarded persons in moving to their highest level of independent functioning.

Naturally, in the current year we will not be able to develop fully the total range of alternatives, therefore, we will concentrate mainly on developing adult training homes, adult group homes and co-operative apartments.

Let me now turn to the work and training programme. Many people assume that the majority of mentally retarded persons can only be employed in sheltered workshops. While this may be true for many, it is important to point out that a number of retarded persons are able to hold full-time positions in the competitive employment market with little or no support services. For those who appear to be candidates for the sheltered workshops, we propose to offer a full-range of alternatives ranging from occupational work for the very low functioning person to fully competitive employment. As opposed to simply funding local associations for the mentally retarded for the building and operation of sheltered workshops, we propose to work with them in developing a comprehensive strategy for employment based on the local labour market conditions.

Once again, as part of the individual programme plan for the retarded person, it will be important to ensure that thorough appraisal of his or her capabilities is completed and an appropriate training programme based on his or her potential be developed. Finally, it will be important to ensure that there are various types of work opportunities as appropriate to the person's skills.

In the past, there has been very little opportunity for the severely retarded person who lives in the community to engage in some sort of occupational activity. In response we intend to develop adult occupational centres that will provide activities designed to assist severely retarded persons in developing skills that can be put to use in a variety of ways. For some it may provide the training necessary for them to move on to a more developed sheltered workshop.

Existing sheltered workshops, of course, will play a key role in the employment strategy. They will continue to provide assessment, work orientation and training with a view to having many of the trainees graduate into less sheltered work situations.

A number of local associations have already developed protected businesses in which they receive some assistance from government in establishing a business that employs retarded

persons. Many have shown that they can eventually become competitive and no longer require any form of government subsidy. Their productivity has also shown that many of the retarded persons can receive a competitive wage in this type of endeavour.

As I have stated, many retarded persons can work in competitive employment with a minimum of support services. However, we have found that those who do fail to stay in competitive jobs often fail because of the absence of follow-up services. In this regard, we would hope to increase the number of competitive employment opportunities for the retarded through training-on-the-job programmes, the funding of placement officers for local associations for the retarded and also the development of an employment strategy that includes follow-up services to those who graduate from the sheltered workshop. In the current year we would hope to work with various independent businesses in establishing work stations for retarded persons within the normal industrial setting. As I have indicated, much of this is dependent upon the development of a local employment strategy for the mentally retarded in partnership with associations for the mentally retarded, as well as with independent businesses.

Now we come to the support service programme. One of the major objectives of the entire mental retardation programme plan is to promote a life situation for retarded people which is as normal and integrated in the community as possible. The major purpose of the support services programme is to make available to retarded people the necessary support and protection that will enable them to use the common services available in the community, as well as any other special services which they might require. During the current year we intend to intensify and expand protective services, family services and life skills training for retarded persons.

The adult protective service workers are seen as the focal point of community programmes for retarded adults. It is the responsibility of the protective service workers to co-ordinate and monitor on an individual basis the placement, movement and supervision of retarded adults as these activities relate to the accommodation and the work and training programmes, as well as any other required services in the community. It is the responsibility of the protective service worker to ensure that his clients are not exploited, that they receive the full benefits of all the services and facilities for which they qualify and that each receives the appropriate amount of protection and support required by his level of functioning and cir-

cumstance. It is their responsibility to help ease the transition to community living for these individuals who have recently moved from the MR facilities.

We intend to increase the protective service capability significantly this year. As I mentioned earlier, we presently have a caseload capability of 1,000 and we would hope to increase that capability by an additional 1,000.

Family service workers will provide supportive services to families with retarded persons. They will concentrate on providing service to families of retarded children whereas the protective service workers will be serving retarded adults who live apart from their families. The family service worker is responsible for counselling families and referring them to appropriate services in the community. We feel these workers can play a key preventive role. They can help assist in the early detection of retardation and help ensure that everything possible is done immediately to reduce the severity of its effects. Through the provision of counselling and support to families by providing needed help in obtaining other necessary services in the community, the needs of families can be met appropriately. We plan to utilize some of the social work staff from the schedule I mental retardation facilities on a pilot basis. In this regard, they will be expected to spend significantly more time in the community working with families with retarded children.

Life skills training programmes will be used to provide retarded adults living in the community with adult education and social training programmes to increase their capacities for independence and for a meaningful social life. Participants will include adult retarded persons living with their parents or those in a community accommodation or work and training setting. Some adults will receive elements of the life skills training programme as part of their accommodation programme. However, the main emphasis should be on providing life skills programmes in regular adult education settings in the community, such as schools or community colleges. Life skills training programmes usually include community orientation, such as the use of public transportation, hospitals and dental services as well as basic adult education, such as the use of newspapers, improved reading and writing skills, daily economics and budgeting, sex education and the use of community recreational facilities.

Special pilot projects will be established to provide the practical experience necessary for the design of programmes in several areas prior to large-scale implementation across the province. We intend to establish pilot projects in respect of parent relief services which will

include homemaker services, childcare services, emergency and vacation relief services as well as parent counselling and behaviour management training. A second type of pilot project that we wish to demonstrate is that of infant stimulation. At the present time developmental service to mentally handicapped children under the age of two is almost non-existent. Behavioural scientists and educators have indicated that infant stimulation programmes may be an excellent way of reducing the severity of a child's handicap. With this in mind, we intend to establish five such projects across the province.

Recreation and leisure opportunities for the mentally retarded are quite limited at present as existing programmes tend to lack the specialized expertise required. Recreation authorities suggest that whenever possible all handicapped persons should utilize regular community recreational resources. We would like to establish a number of pilot projects to test out and to demonstrate how the mentally retarded can be integrated with existing community recreational programmes. Furthermore, we would like to develop special recreation and leisure-time programmes for severely and profoundly retarded adults and children who live in the community.

Mentally retarded individuals often experience special difficulties in obtaining required dental services. During the past year, a dental services task force has reviewed the status of dental services to mentally retarded persons in the province and has recommended that a demonstration project serving as a training model in the special techniques of serving the retarded be established.

In certain areas of the province, particularly in the north and in some rural areas, the lack of organized transportation services has made it extremely difficult for some retarded persons to obtain access to other services. This, of course, increases the strain on families and isolates retarded persons, making it difficult for them to develop to their highest potential. Consequently, there is a need for innovative programmes to test out methods of meeting these unusual transportation needs of retarded persons. It is proposed that transportation assistance projects be funded to begin solving these problems.

Finally, we intend to make available programme development grants for the board-operated facilities, known as schedule II facilities, that serve severely retarded children and some severely retarded adults. Previously these facilities were viewed as custodial care centres for severely and profoundly retarded people. However, recent advances in develop-

mental programming for these persons indicate that there is a potential for improving their functioning. We feel, therefore, that a valuable investment could be made by improving the developmental training capacity of these schedule II facilities and are planning with them for funding in this regard.

The mental retardation programme as a spectrum of care: In providing this overview of the new mental retardation community services programme, we recognize the importance of further policy analysis in many areas. Keeping this in mind, we recognize that the community services programme that we are beginning to implement this year represents only the beginning of the development of a full range of services and support for retarded persons and their families. This range of services, of course, must extend throughout the system, from the mental retardation facilities which provide total care to providing opportunities for independent living with minimal support.

In recognition of our partnership with the Ontario Association for the Mentally Retarded in these endeavours, we are prepared to provide increased consultation and funds to strengthen their operations. We recognize it is through the local associations for the mentally retarded that we ensure community involvement in the process of developing services. Certainly a large part of the strength of this new programme rests in the fact that they have been involved with us in the planning. Together we recognize that this is only the beginning of implementation of the new policy focus which was first outlined in the green paper. Many additional programme changes are yet to come. We are optimistic that these new programme directions will benefit mentally retarded persons and their families in a significant way.

With reference to day care, the field of day care remains, and will continue to be, a matter of major concern to our ministry. First of all, I would like to present a summary report of the first daycare expansion project for the information of the members.

First announced in June, 1974, by the Provincial Secretary for Social Development (Mrs. Birch), the expansion project devoted a capital fund of \$15 million to daycare expansion, with 10 per cent of the cost being paid for approved projects. The priorities for the project determined at that time were for handicapped children, native children and children from low-income families. The overall objective was to increase substantially available daycare facilities in the province, with particular attention to the priority needs identified. The full amount of the capital funds has now been

committed to projects throughout the province. Construction is now under way on many projects and many others are just commencing. We expect that construction activities will be continuing through 1975, with work being completed this year. Some construction activity may be continuing in 1976.

I am pleased to report that we have now approved capital projects for 110 daycare centres, providing more than 3,600 places for children. A more detailed outline of the projects may be of interest: For handicapped children, 28 centres providing 633 places; for native children, 11 centres providing 355 places; for general daycare, mainly for low-income families, 43 centres with 1,907 places operated by municipalities, and 28 centres with 718 places operated by charitable corporations.

This project, together with the capital project in 1971-1972, has indeed meant a very substantial increase in the available daycare resources in Ontario and has made it possible for many municipalities and private groups to develop excellent programmes.

I will now comment on another important activity in daycare, the work of the advisory council on daycare. I want first to commend the chairman and the members of the council for their first report, issued in January of this year, and for the thoughtful consideration the council has given to the subjects referred to it.

As I commented in my response to the January report, I am impressed with the diligence and devotion of the council, which continues to meet frequently and has begun a series of meetings in various centres in different parts of the province. The council is dealing with difficult and complex issues. I can assure this committee, as I have already assured the council, that I appreciate the time and effort they are investing in the study of daycare, and that their recommendations with respect to any aspect of daycare programmes will be given careful and serious consideration.

I would like in particular to refer to the matter of child-staff ratios, about which there is continuing interest in the community at large and to which I referred in my comments in response to the January report of the advisory council. I merely wish to reiterate the government's position that the subject has been referred to the advisory council for study and recommendation. This is clearly a complex matter requiring careful review and study, and I am sure the council will give the subject the attention it deserves.

As you will note from the advisory council report, the council is concentrating for the present on full daycare programmes, and in addition to the question of child-staff ratios, is

studying private home day care, infant care, staff training and qualifications, and priorities and planning for the allocation of capital resources.

Mr. Chairman, I wish to thank the members for their attention and I look forward to their constructive comments.

Mr. Chairman: Does the critic for the Liberal Party wish to make a comment at this time?

Mr. R. S. Smith (Nipissing): I would like to comment but I haven't had a chance to read either the communique from the federal-provincial conference or the background papers. I thought we were to get those this morning but we didn't.

Miss D. Crittenden (Deputy Minister): They were delivered to you this morning.

Mr. R. S. Smith: No, they weren't.

Mr. Chairman: Would you speak into the microphone?

Mr. R. S. Smith: The problem with them is that these two papers I got five minutes before the meeting started—

Miss Crittenden: Mr. Smith, they were delivered to your room this morning, unless your room number has changed.

Mr. R. S. Smith: I got an envelope this morning which included the programme resources and these two here, social assistance—

Miss Crittenden: That is correct, we didn't have the copies until late morning.

Mr. R. S. Smith: These two I got this morning, these two I got five minutes before the meeting started.

Miss Crittenden: We just got those, they are not before the meeting yet.

Mr. R. S. Smith: That is right. It is very hard for the critic to start to comment on something which is that long and that thick when he has had it for five minutes. That is the problem; I don't find that a problem with your ministry; it is just with your government. How it expects people to prepare for estimates when they are notified on the Friday—when they are out of Toronto—that the estimates will be up on Monday is far beyond my comprehension. I don't know why the opposition parties could not have been notified at the same time as the ministry.

Mrs. M. Campbell (St. George): We got it before they got it.

Mr. R. S. Smith: No, the minister got it while he was in Ottawa. They told him while he was in Ottawa so he can't argue.

Mr. Martel: It could have been the House leader who told him.

Mr. R. S. Smith: I don't know who told him, but somebody told him.

Hon. Mr. Brunelle: Mr. Chairman, in response to Mr. Smith, we were advised quite late and our staff worked all weekend preparing these. There will be ample opportunity to comment under each individual vote unless we finish our estimates before 6 o'clock.

Mr. A. Carruthers (Durham): Take them as read.

Mr. R. S. Smith: I'll guarantee you first that we are not going to finish before 6. It is obvious that the administration of this government is no better in the House than it is anywhere else.

Mr. J. Lane (Algoma-Manitoulin): Be fair.

Mr. R. S. Smith: That is being fair.

Mr. Martel: We should ask the minister who advised him about the estimates coming?

Mr. R. S. Smith: I was being fair. After all, in the past we have had at least four or five days' notice of when the estimates were coming up. We don't have from that so-called House leader you have.

Mr. Chairman: Mr. Smith, there was a motion in the House which assigned this estimate to this committee. You people were aware of it at exactly the same time.

Mr. Martel: Mr. Chairman, would you like the actual background as to how the minister learned of the impending estimates consideration?

Mr. R. S. Smith: I don't know; I would like to know.

Mr. Carruthers: He knows everything.

Mr. Martel: I will advise you. I spoke to the House leader and I contacted the deputy minister. She wasn't aware as she phoned me from Ottawa because the minister wasn't aware either and if I hadn't told them they would never have known. That is what the House leader did to you.

Mr. B. Newman (Windsor-Walkerville): That's par for the course.

Mr. Martel: If you want to confirm it, you might check with the minister.

Mr. Chairman: We know at times you are very helpful and other times you are otherwise.

Mr. Martel: You can verify it with the minister.

Mr. Chairman: Mr. Smith, do you have comments on some other related fields you would like to make, or do you want to proceed on the ones you have ready?

Mr. Martel: If you hadn't been nasty I would never have raised that.

Mr. Chairman: Order, please. Let Mr. Smith have the opportunity to speak.

Mr. R. S. Smith: First of all I'll go through the minister's statement he has just read and in the light of what he said there I will try to ascertain what is said in these two documents because he does refer to those two documents to some extent at least. As he said, the social security review started in 1973 and we're now into 1975. A federal-provincial conference which the minister attended last week has just ended. The first two years, he indicates, were to be a study phase for the purpose of reviewing existing situations and preparing recommendations about future directions.

As I understand it, there is some great difficulty at the federal-provincial level and there is divided opinion. The minister has not indicated in his statement that there is divided opinion among the ministers concerned, as to what direction should be taken insofar as the guaranteed annual income is concerned or the interim measures that should be taken until that can be brought into effect, presumably in the next five years. Am I correct in that assumption?

Hon. Mr. Brunelle: I think you have a copy of the communique, whereby there was agreement among all the provinces, in conjunction with the federal government, on the communique—

Mr. R. S. Smith: I haven't read the communique; I haven't had a chance to read it yet.

Hon. Mr. Brunelle: —and the communique says there should be a guaranteed basic minimum income to those who are unable to work due to health or disabilities or who are unable to find work—

Mrs. Campbell: Or unemployment.

Hon. Mr. Brunelle: The second component is that there be supplementation given to those who are low wage earners and incentives for them also.

Mr. R. S. Smith: So there is agreement, then, on a two-phase programme at the federal level, not only to be brought in in two phases, but the final programme itself to be a two-phase programme. Is that correct?

Hon. Mr. Brunelle: There are different interpretations. I said the communique, if you have it now, was agreed to by all the provinces. Now, there are some provinces which are not entirely happy with the consensus of the majority of the provinces.

Mr. R. S. Smith: So it's not an agreement, it's a majority decision.

Hon. Mr. Brunelle: Yes, that's right. I think you can appreciate that when you have 10 provinces—

Mr. R. S. Smith: I realize that.

Hon. Mr. Brunelle: —including P.E.I. with a population of 100,000 and Ontario with eight million; the diversity in this country of provinces, wages and conditions, and so forth; and different views of governments with three main parties represented at these federal-provincial conferences, the fact that they came to a general consensus is commendable.

Mr. R. S. Smith: So you are indicating to me that there was a general agreement insofar as this communique is concerned?

Hon. Mr. Brunelle: That's right, and the same applies in February, Mr. Chairman. In February there was a general consensus that there be a so-called two-tier system.

Mr. R. S. Smith: Yes, a two-tier system in the long run and a two-tier system in the short run as well. We have the two-tier system in the short run and we can't do much about it, but it's there anyway.

As I understand it then, the short-run indication is that because it's going to take three more years to come to a guaranteed annual income per se, in the meantime the Canada Assistance Plan is going to be scrapped and there is going to be another piece of legislation brought in at the federal level on which there has been some general agreement. It will provide 50 per cent of the costs, as the Canada Assistance Plan has done, in most of the areas covered by the Canada Assistance Plan, except maybe in some areas of administrative costs where there is still a real question of difference between the provinces and the federal government. I just pick that up from looking through this thing.

There are some areas that will not be covered, though, under this new agreement and

many of those areas, I presume, are in areas of—how should we put that?—are in areas of some types of research, where you people or perhaps some other provinces, have moved ahead more quickly than others, and also in areas of the provision of supplement to the working poor. I would like to know if the new programme that apparently has been agreed upon for the short-term, includes in it any provision for a supplement to the working poor at this time.

I would also like to point out that you indicated that the Canada Assistance Plan has done that in the past and you started to take advantage of it last year. You indicated in your remarks today that there were three municipalities in the province with which you are now coming to some agreement, but it is not a universal programme available to all parts of this province, as your first statement says. Your first statement says that, and then you say we are now negotiating with three municipalities to enter into such a programme.

We had exactly the same thing last year. But last year you said you were negotiating and would have in effect very shortly two programmes, one in Toronto and, I think, the other one in Kingston, if I can remember correctly from the estimates of last year. Obviously, those two programmes either haven't got off the ground or they are still in the area of negotiation. I find that rather disturbing, because if the cancellation of the research programme that you had talked about for three years insofar as providing assistance to the working poor is concerned. You indicated that in place of that research programme, which would have taken a long time and would not have provided us new answers, you now had a programme ready to go.

Obviously the programme wasn't ready to go and didn't get anywhere. What you are in effect doing is substituting for what you call a research programme a programme where you are going to make arrangements with two or three municipalities across the province to enter into a programme of supplementation. And likely all other municipalities will be excluded, for some reason or other, for the time being.

You are not going to call it a research programme, you are just going to call it a pilot project, or something like that. I can't tell one damn bit of difference between the two, to be quite honest with you, but you can call it what you like. We are now four or five years from the start of this thing and we still haven't got into it. I should hope that this will be the year of the breakthrough, not only here but elsewhere.

I can't make too many more remarks in regards to the communique and in regards to the federal-provincial conference because I haven't got the material, or haven't had a chance to read it.

I would like to make some remarks, first of all, in regard to some of the things that you said in your opening statement. I go along with most of what you said insofar as income security review is concerned, except to when it comes to family allowances. You say they were more than doubled to provide direct assistance to low-income families. I say to you, again, that with a little initiative and perhaps with a little—

An hon. member: Courage.

Mr. R. S. Smith: Well, I don't know whether you would call it courage.

Mr. Martel: Screw it up, yes.

Mr. R. S. Smith: I would just like to call it—

Mr. Chairman: Mr. Martel, will you let Mr. Smith complete his remarks, please? I will give you the floor in exactly the same way. But if you are going to insist, I am going to have to call you to order.

Mr. R. S. Smith: I don't mind his comments, they are all right.

Mr. Martel: He appreciates them.

Mr. R. S. Smith: True. But I would just like to say that there is no reason why the family allowance could not have been used, as it was in other provinces, to supplement the real low-income families in this province.

The way it was used in this province, as far as I am concerned, is just dreadful. There is no reason in the world why I should get 80-some bucks a month in a cheque from the federal government, no more than the man in the moon; \$1,000 a year is coming into my home because I have four kids.

Hon. Mr. Brunelle: All the provinces agreed to—

Mr. R. S. Smith: In Quebec, with my income, I would receive something like \$480. Another home with an income of perhaps one-third or maybe one-fifth of what I have would be receiving an income of perhaps \$1,500 or \$1,600 for the year. And in Quebec I would be receiving \$480 to \$500. That is called income redistribution. That's what this game is all about, as far as I am concerned.

If we can't use things like family allowance that don't cost the provincial government one

penny to do that type of thing—though I should add we all pay through taxes, there's no question about that—then the initiative of this ministry and of this government to help the low-income people, as far as I'm concerned, is very low. It isn't much of an impetus on the part of the government just to accept the straight \$20 across the line and any increments that have come in the past year and not use another formula that was made available to it and through indexing which it could have used to provide incomes to the real low-income people and perhaps even establish it so that the low-income earner who is working from day to day and making \$100 a week—there are lots of them in this province—could receive \$150 a month for four kids. I could have received \$40 or \$50 a month for my four kids.

Do you get the point I am trying to make? The fact is that the \$100 a month difference should have been given to that man who is making \$100 a week, rather than us who sit here and make \$300 or \$400 a week and perhaps contribute less than they do.

Hon. Mr. Brunelle: On that, Mr. Chairman, my understanding is that family allowances under the federal Act in all provinces had to average about \$20. Some could give more and some could give less but it had to average at least \$20. Some provinces do supplement family allowances.

Mr. R. S. Smith: I am not arguing with that at all. You had to average \$20. So what you did was say you'd take the average of \$20. That's the easiest and simplest and fairest way to do it, and so you do it that way. What I'm saying to you is that you should have averaged it so that the low-income people got the most and the high-income people got the least. That's what averaging is all about.

Hon. Mr. Brunelle: We are doing it though through another system, income tax credit. This year we have 450,000 families who have been removed from the tax roll.

Mr. R. S. Smith: Let us look at the income tax credits that you are giving in this province in a case such as mine. As I look at the income tax credit that a person with no taxable income whatsoever would receive as compared to the difference he would receive if you had used the maximum averaging point to come to \$20 in the centre on family allowance, the differences would have been a lot greater than the \$300 odd difference the tax credits are. The difference might have been around \$900 to \$1,000. That is a major difference as compared to \$300.

Also it would have come monthly into the family income, which is important as well. That \$300 tax credit that they get in one lump sum within the next month or so, although it certainly helps the real low-income family and the family which belongs to the working poor, certainly isn't the way to provide the type of living that they require. In other words, it is not an equitable solution, paid across the board for the year, when they get the one lump sum. It is certainly better than nothing.

Hon. Mr. Brunelle: Yes, and in time it could be improved. It could be, say, on a quarterly basis.

Mr. R. S. Smith: That is fine as it may be. But I should like to just point out to you that other provinces used the formula by which they did not have the straight \$20. Quebec used it.

Hon. Mr. Brunelle: They supplemented it.

Mr. R. S. Smith: They have a supplement besides, but they did use the furthest parameters under the federal programme.

Hon. Mr. Brunelle: On that, Mr. Chairman, you can't compare provinces because the size of families vary considerably from province to province.

Mr. Martel: When you are poor, you are poor. It doesn't matter where you are.

Hon. Mr. Brunelle: No, but there are different ways of trying to assist the so-called low wage earner, the working poor. Our government used tax credits, subsidized housing and other social assistance measures. There are various views on how to do this.

Mr. R. S. Smith: You talk about the size of families I think that may have been a consideration 20 years ago in Quebec but it's not now. Since then they have had the Pill.

Hon. Mr. Brunelle: On that question, my understanding, Mr. Chairman, is that there is quite a difference between Ontario and Quebec on the size of families.

Mr. R. S. Smith: When you get below those people who are married 10 years, you don't get the difference.

Hon. Mr. Brunelle: I don't want to interfere with Mr. Smith's presentation, but maybe at some time after he has completed it, I would like Mr. Glen Heagle, who is an economist and the executive director of our income review division, to speak on that subject because he and Treasury spent a lot of time in this very difficult area.

Mr. R. S. Smith: That's fine. I feel the family allowance should have been used to supplement the income of the poor and not to supplement the income of the middle-high class or the rich. I feel you had an ulterior motive in doing that because you knew damned well you were going to get 48 per cent of it back in taxation from some people anyway, 30.5 per cent of which would come back to the province.

Hon. Mr. Brunelle: In all fairness, Mr. Chairman, it was not done with that in mind. It was done in our wisdom in what we thought a most appropriate way.

Mr. Martel: You didn't want to lose votes.

Mr. R. S. Smith: It costs less, though if your return is greater. Especially if it's all federal money you're getting a return on and that's what it is. The \$304 I paid to the province in income tax on the—no, I paid more than that. I paid about \$400 to the province on that. It was all federal money which I collected from the federal government and gave back to you. It's another form of rebate to the provincial government and that's not what it's supposed to be used for, I just want to make that point.

Hon. Mr. Brunelle: Mr. Chairman, would the hon. member permit me? I think this is important. I am not an economist but I would like to ask Glen Heagle who is an economist.

Mr. Chairman: It is almost not in the estimates of this ministry. I might refer to you that it's almost within the budgetary debate in the House rather than the estimates of this ministry, too, Mr. Minister. Perhaps, briefly, now we've come—

Mr. R. S. Smith: But I am talking about low-income families. Are they not in this estimate?

Mr. Chairman: That was not the estimates. You were talking about federal-provincial affairs and the matters—

Mr. R. S. Smith: Family allowances?

Mr. Martel: Mr. Chairman, this is a statement you allowed. You must take all those matters into consideration.

Mr. Chairman: All right. I agreed that the gentleman should speak to the question.

Mr. D. G. Heagle (Executive Director, Income Security): Mr. Chairman, the member's point about providing family allowances on an income-tested basis, shaping them by income, was what we took to the Croll commission in 1970 and we made that point. When the federal government, through the federal-provincial review, wished to make a change in the family

allowance programme they gave us two conditions under which we could alter family allowances. They were, respectively, by age of child or by the number of children in the family. We asked them at that point in time if we could do it by level of income, which would have provided precisely what the member has suggested—a much greater return to low-income people and stop the distribution of family allowances to high-income people and we could have concentrated those funds down—and the federal government refused. It's right in the Family Allowance Act. The only two things we can alter them by is age of child and number of children in the family.

We ran innumerable computer programmes, as did Treasury. The problem in Ontario is that that there was no mix, either weighting them for the eldest children or weighting them by the number of children, which would provide greater redistribution than the flat rate. The reason for that is simply there are roughly the same number of large families in relatively middle to higher income groups as there are in lower income groups. Therefore, to avoid all the incredible problems of administration and also to help young families who, if you followed the formula, would have received the lowest level of income when they're having their first and second children, we kept the flat rate.

Frankly, I think the best redistributive difference we could get was 0.003 which is an absurdly small difference. For the administrative costs we got much greater effectiveness this way but we would have preferred to do it by income.

Mr. R. S. Smith: Okay, but as I understand it the Quebec plan is done by income.

Mr. Heagle: The Quebec plan, sir, has two aspects to it.

Mr. R. S. Smith: Two aspects? Number of children and income?

Mr. Heagle: Yes, it is. But they have two family allowances, in effect. They have a Quebec family allowance and their own and they have an additional advantage which we do not have, which is the fact that they have a provincial income tax of their own. The redistributive feature on the Quebec system comes from the fact that there is no exemption for children provided under the Quebec half of their provincial income tax. By the fact that there is no exemption, there is a higher tax back of those allowances to upper income groups. We didn't have that secondary tax system to use.

Mr. R. S. Smith: In other words, the 30.5 per cent which we were just refunded by the federal government could not have been used on that basis?

Mr. Heagle: Not in the same way, no sir. In Quebec, as they have that second tax system, they would simply say you could not claim an exemption on your Quebec income tax for your children, which meant that your tax rate for Quebec was higher.

Mr. Martel: Couldn't you have taken the money that came back?

Mr. R. S. Smith: We have the same type of system as they have. We have a provincial income tax system. The only difference is that they collect theirs directly and we collect ours through the federal government.

Mr. Heagle: Yes sir, but the —

Mr. R. S. Smith: And whether it is applied on direct collection or whether it is applied on the form that we get, which provides two income tax sets right on the form that we all figured out over the last few weeks, it could have been applied right there and the same basis could have been used.

Mr. Heagle: That's correct sir, but the difference between the two systems is that in the Province of Quebec you do not apply your children's exemptions to the Quebec portion of your tax, and in the Province of Ontario you do. When you calculate your tax, you build in your exemptions on the computation of both federal tax and provincial tax. In Quebec you do not.

Mr. Martel: Couldn't you have taken the return that you got back from the federal government, which was federal money, and distributed it directly to the lower income people? Could that not have been done? None of it would have been provincial money. Could that not have gone back to the lower income families?

Mr. Heagle: My understanding is the money went into general tax revenues. Whether it was then reflected in a subsequent raise in another programme, I don't know.

Mr. Martel: Well, I will ask the minister. I don't want to embarrass you.

Mr. R. S. Smith: That is government policy.

Mr. Martel: Mr. Minister, if you had decided that you wanted that money returned from Ottawa paid directly to families on lower income, you could have asked cabinet to do that, could you not?

Mr. Chairman: Yes, and that is a fitting question of the Treasurer (Mr. McKeough).

Mr. Martel: No. Surely to God the minister is the one to ask. The Treasurer doesn't make the policy for this ministry.

Mr. Chairman: He makes the fiscal policy.

Mr. Martel: No he doesn't. The Treasurer might turn it down, but it's certainly this minister who makes the policy for this ministry, I presume.

Mr. B. Newman: Otherwise, why have a minister?

Mr. Martel: You wouldn't need the minister. You could put it in Health then and do away with it and we wouldn't have to pay \$15,000 a year for a cabinet minister.

Mr. R. S. Smith: Okay, I will accept the ministry's explanation of the situation. I just don't agree with it.

Mr. Martel: Obviously he doesn't want to answer.

Mr. R. S. Smith: I think if you had had a formidable presentation at Victoria in 1971 that you would have come away from there with an agreement that would have satisfied both you and Quebec, but, of course, we took a back seat there and, as I explained to you on numerous occasions, that is the basis of the problems we have now.

Hon. Mr. Brunelle: Victoria in 1971? I wasn't there.

Mr. R. S. Smith: That's right — where this type of thing was the basis of whether the conference broke up or not.

Hon. Mr. Brunelle: You are referring to the first ministers' conference.

Mr. R. S. Smith: Yes, the first ministers. They broke up on the basis of income redistribution. Castonguay from Quebec would not accept the amending formula because he could not be promised the right to designate how moneys would be spent in social development areas in Quebec, and I think Ontario, although they supported them, were very weak in their support. Anyway, that's the basic problem there. It goes back to that situation.

The next thing that you covered was indexing, and I'm glad to see you've recognized that the federal government is indexing most of their programmes. The thing we must take note of is the fact that you aren't indexing any of your programmes. I know that for the last two or three years, the minister has kept telling

us that he's in support of indexing, but no matter how strongly he's in support of indexing we don't seem to see any indexing. You can like kids but you can do nothing for them at the same time. That really doesn't do anything.

Hon. Mr. Brunelle: Mr. Chairman, I indicated to you last year that the question of indexing would be a government policy, and I think the member can appreciate that one ministry couldn't index its programmes and not other, similar ministries. For instance, if we were to index our social assistance programmes the same argument could be made for workmen's compensation benefits and other benefits, so it's a —

Mr. B. Newman: Anything wrong with that?

Mr. Martel: Makes sense.

Hon. Mr. Brunelle: The Treasurer's comment on that — I think you've heard it before — is that he feels very strongly that indexing more or less fans the flames of inflation.

Mr. R. S. Smith: But it also gives those people a standard of living at which they can afford to live.

Hon. Mr. Brunelle: We do it in a different manner. We do periodic adjustments. The main thing is as long as they're getting sufficient income.

Mr. Martel: That is questionable too.

Mr. R. S. Smith: If you do periodic adjustments or indexing, I think you are really getting into an area of semantics. If you are doing periodic adjustments and not indexing I would like to know the difference. Anyway, if the periodic adjustments are that periodic then they become indexing, although people don't realize what they are going to get. That is just like keeping them guessing as to whether you are going to get that food tomorrow or not and in many cases that is really what's happening.

I don't disagree with the Treasurer when he says that if indexing went so far as to be applied right across the incomes of the community and all other types of incomes that people might have, it certainly would fan the flames of inflation. But when you are talking about those programmes that are going to those people who are living far below the poverty line I don't think you are talking about fanning the flames of inflation. If you are, well then, I think we have to live with inflation if we have to have those people provided for. I just refute the argument that it couldn't be put into effect particularly in the areas that we are talking about.

You go on about the GAINS programme and its implementation. There is no question that it certainly has provided a reasonable income to the old age pensioner and, as well, the people who are lucky enough to get on the GAINS programme who are disabled, particularly if there are two in the family.

I am not downgrading the need of the aged, but I believe that in comparison to other people who are collecting some type of income through the programmes that are administered by this ministry or some other agencies, they are the best-off of all the groups, including mothers and dependent fathers and what not. I think that is obvious to everybody. I think the extension of the drug plan to cover all people over 65, regardless of income, is not too bad, but I would rather have seen the money spent to cover drugs for children up to six years old, or to go into denticare for children up to six years old. But that is a question of priorities.

I know a lot of old people who don't really need to have their drugs paid for, and I know a lot of young people who can't provide preventive dentistry for their children. But that's a question of your priorities. In this year of 1975 I am sure that a six-year-old is not going to vote so we are not going to worry about his teeth now, but the 65-year-old is going to be getting his prescription filled before he goes to the polls so he is more important. I think that is a very cynical approach to this type of programme. I really believe that's being cynical, because it is not needed for most of those people over 65, and you know it as well as I.

Hon. Mr. Brunelle: If I may say a brief word on that, Mr. Chairman. I respect your views, but I can tell you that we meet many groups of senior citizens and this is what the great majority tell us: "Just because we saved a few dollars for a rainy day we are being penalized." Also, providing this drug assistance is a preventive measure. It sometimes prevents many of them from going into institutions — nursing homes and so forth. So I think this is well accepted.

I am not saying that other programmes for the younger children are not needed, but I think this programme is well accepted. In other provinces, if you look across Canada, maybe half if not more of them are providing drugs to the elderly, so it is becoming more and more a universal programme.

Mr. R. S. Smith: I don't question the fact that it is perhaps a priority item, but I think there are others with higher priority. I suggest to you that at \$480 a month, most people can

afford to pay the average of \$28 a year as the cost of drugs. I think that at \$480 most people can afford to pay that cost. I think it is a gimmick programme; that's what I think it is. But it will placate a lot of people; there is no question about that.

Mr. B. Newman: It will help E. P. Taylor too.

Mr. R. S. Smith: It helps the poor druggists, and I appreciate that. I realize how badly they need it.

Mr. Martel: For his horses.

Mr. B. Newman: He gets his drugs free now. He's over 65; you can't deny him the drug plan.

Mr. R. S. Smith: I did cover the matter of your remarks with regard to low income employed persons becoming eligible for assistance through municipalities, and I indicated to you that I think what you are developing now is something in place of your study that you cancelled last year after we were supposed to get it started three years in a row. I just don't understand what is going on there. I fully understood, from the debates last year, that an agreement had been reached with Toronto and Kingston, and that there was a programme going into effect then. But apparently they are still in the process of negotiating that.

Then you went on to say the major focus of the review is oriented toward changes in two key components of income security, the first being the development of the new support system to assist the disabled and handicapped, the unemployable and so on. I understand that, and I presume that is what we all hope will be the guaranteed annual income or something similar under another name.

The second is the development of an effective income supplementation system to provide direct financial assistance to the working poor. That, of course, is a part of the federal-provincial negotiations that are going on, and it is a part of that thing I spoke about just a minute or two ago with regard to Toronto and Kingston.

The minister goes on to say that the primary thrust of the federal-provincial review at this time, however, is dealing with what appears to be the most urgent problems. Here we get into changes in the existing welfare system and supplementation for the working poor as well at this time.

I presume, from the minister's remarks, that we have decided what kind of a system we should have; all our attention has been geared to it, according to the minister, for these past

four or five years, so I suppose we have come to that system. Although I haven't seen it in black and white, I presume it is somewhere within the ministry or within the agreement that has been drawn up between the federal and provincial ministers; either that or they have discussed it to the point where they have come to an agreement on it. But I haven't been able to see it.

I notice that the minister points out, in his last statement on page 5, that "it is also more controversial as there are differing views among the participants... as to how it should be designed and implemented." There is where I say that the two-phase system is not as acceptable among all the ministers and the federal government as you might be trying to portray. In other words, I don't firmly believe that there is a consensus that this two-phase system is at the point where they felt it would be after two years, and that the next three years would be taken to devise it and implement it. I really don't think there is a consensus, although there may be.

From what I read elsewhere than in your statement — although, as I said, I haven't had a chance to read fully these other things — it appears to me that there are some provinces that are very reluctant to accept that type of two-phase system for support and supplementation, particularly for the working poor. I realize, and I think I understand what the minister says, that there are different problems in different areas of this country. That's why we can't have one programme that suits everybody. Perhaps that is one of the major faults with old age security and guaranteed income supplements, that the guy living in an area of low costs is being provided the same as the guy living in an area of high costs, such as Toronto. Perhaps that is one of the problems. And, of course, that is one of the reasons why we get back to the 1971 conference where the question of distribution is of very great importance to each individual province.

Perhaps there should be a very loose agreement in regard to any federal-provincial programme that is established to give to this province the right to expend those funds as they best see fit to meet the needs of this province. I am sure the needs of this province are vastly different than the needs of PEI, or Newfoundland, or BC. They are maybe almost the same as Alberta and BC, but they may be the only ones. The other provinces have different needs than we have, and for different reasons.

I think those are all the remarks I have to make, because I haven't read the other material in connection with the federal-provincial conference.

There is one other remark the minister made. He said:

It is Ontario's view that it is often appropriate that those able to pay for services should pay according to their financial resources.

I should hope that if this is the belief of the government we have in this province it is the same belief they take to the conference table in Ottawa. In the past two years, for purposes that I cannot understand, I detect that this has not been the approach to conferences in Ottawa. I am not speaking particularly at the level of the Ministry of Community and Social Services. Generally speaking, there seems to have been a change in that Robarts approach to Confederation and we have become rather narrow and, perhaps, a little isolationist. Would that be a good phrase to use? You know what I mean, anyway.

Hon. Mr. Brunelle: Mr. Chairman, on that subject, if Mr. Smith will check with Mr. Lalonde, I think he would find that, as far as our ministry is concerned, at these conferences we have been very co-operative.

Mr. R. S. Smith: I didn't say it was your ministry alone.

Mr. Chairman: The points Mr. Smith is really talking about are matters other than in the estimates of this ministry.

Mr. R. S. Smith: No, they are brought up in this ministry, so I had to talk about them.

Mr. Carruthers: I think the government as a whole is the same we know we are co-operative.

Mr. Lane: Straighten them out in Ottawa.

Mr. R. S. Smith: The first chance for straightening out is going to come here.

Mr. G. Nixon (Dovercourt): You hope.

Mr. R. S. Smith: I am sure Pierre is going to last a couple of more years.

Mr. Carruthers: Mr. Martel, we are carrying the load for the whole country now.

Mr. Martel: Oh, God!

Mr. R. S. Smith: Yes, you are really hard done by. That's just the point I am trying to make. Just what you said is the point I am trying to make, and you make it very well for me. Thank you very much.

Mr. Carruthers: We don't go out and boast about it.

Mr. Chairman: Gentlemen, this is getting to be —

Mr. R. S. Smith: You make my point the way I couldn't make it myself.

Mr. Chairman: We are talking about budgetary matters and policy of the government.

Mr. R. S. Smith: If you keep those fellows talking over there I won't have to say a word.

Mr. Chairman: I just want to stay with the estimates of this ministry.

Mr. R. S. Smith: Thank you. Is this to the point:

It is Ontario's view that it is often appropriate that those able to pay for services should pay according to their financial resources.

That is to the point, and that is the point I have tried to make on a federal level.

Mr. Martel: You are making the point now, and that's where the difference lies.

Mr. R. S. Smith: Yes. And further:

We have, therefore, been advocating a revised basis for federal cost-sharing that will overcome these difficulties.

Well, I find that hard to put together with some of the other statements that I have made, but I will say to you that I do believe that within this ministry there is a good approach to the federal-provincial conferences; and I am not finding fault with this ministry in that regard.

Hon. Mr. Brunelle: They even had a special birthday party, Mr. Chairman, for my deputy. They went all out when she was in Ottawa.

Mr. R. S. Smith: Did they give her one of those medals? "Is this the year?" — or something like that.

Mr. Carruthers: If anyone deserved a party she did.

Mr. R. S. Smith: I'm sure Marc Lalonde would have had one of those around.

Mr. Carruthers: That's a good note to finish on.

Mr. R. S. Smith: Finished? I have hardly even started here yet.

Mr. Lane: That was the nicest thing you said all afternoon.

Mr. R. S. Smith: Well, I am not here to say that sort of thing. I will just touch on mental

retardation services and some of the things the minister alluded to in that part.

The first point I would like to make here is that I notice somewhere in his remarks, and I marked it down, is the fact that because, I presume, it is being moved now from the Ministry of Health into your ministry, we come under the Canada Assistance Plan. I would like to be corrected in this if I not right. I assumed this is what you said in here somewhere, and that for that reason we will have an extra \$30 million in income from the federal government. I think your supporters over there should say thank you very much to the federal government for \$30 million they didn't have last year.

Mr. Carruthers: We are just getting our own money back. We are not even getting that.

Mr. R. S. Smith: You make my point again.

Mr. B. Newman: We've been trying to convince them for years.

Mr. R. S. Smith: The thing is here now, let's not fool people because the increase in your estimates this year for mental retardation amounts to \$34 million. Thirty million of that is federal so your increase for mental retardation this year amounts to somewhat less than 2.7 per cent of your cost. I think we should kind of keep that in mind when we talk about all these good things we are doing here, because we are doing them all with new federal money. I would just like to point that out.

Mr. Carruthers: It happens in many other jurisdictions.

Mr. Chairman: Normally revenue matters come under the Ministry of Revenue, too, Mr. Smith.

Mr. R. S. Smith: They are in the estimate book, right there. It is marked right in the estimate book under these estimates what the federal contribution is, a 50-50 split.

Mr. Chairman: Yes, I realize that.

Mr. R. S. Smith: I am talking about the estimates, okay?

Mr. Martel: Obviously there is going to be a blow-up here before the day ends.

Mr. Chairman: No, I am just pointing it out and giving you a little education programme, Mr. Martel, before you start, because normally I would find you out of order.

Mr. Martel: Possibly; it won't be the first time and it won't be the last.

Mr. R. S. Smith: I want to make one point here in regard to the plan for community serv-

ice for the mentally retarded, I think the changes are good on a general basis and there is no question the mentally retarded stand to benefit to a great extent through the development of new ways and the three new methods, really.

There is one point that really bothers me and it comes up here and it comes up in this booklet as well. It appears the emphasis on a number of occasions is that we are going to get these kids to the point where they can be out in the community in five years, and that's the emphasis right through. In this book and again somewhere in your remarks today it's enunciated to the same extent or it's referred to.

I personally find this a very difficult approach to accept. I am certain there are many of those people who can be put back into the community within five years. Maybe the percentage is 70 per cent or 60 per cent or 95 per cent. Even if it is 99 per cent, there is no way I think it should be the prime target of any programme to get people back into the community, regardless.

I hope I misread that target, and the emphasis placed on it because I think what the ministry should be saying is it is our target to bring these people up to their maximum potential, rather than say we want to get them back into the community in five years. If it takes 10 years to get them back into the community, fine; if they never get back into the community and they don't have the potential to go back into the community, that's fine, too. If you can get them back in six months, that's even better.

Hon. Mr. Brunelle: But not in this paper, Mr. Chairman.

Mr. R. S. Smith: Maybe not in this paper, but there is a reference to it.

Hon. Mr. Brunelle: On page 12, I think, I am in agreement with what the hon. member says, that we should try, and for those who can be rehabilitated, fine.

Mr. R. S. Smith: To their maximum potential, sure.

Hon. Mr. Brunelle: So I don't believe that we refer in this paper to a five-year programme. Maybe this is where the misunderstanding has arisen:

In this regard we have developed a five-year strategy for improving the capacity for mentally retarded persons to live in a more normal situation, and also an increase in the capacity of communities to serve retarded people.

It is the strategy that we are developing. But as far as those who are in the institutions now, there is no doubt that some will always remain there, maybe not in that institution but in a facility where they cannot be rehabilitated.

Mr. R. S. Smith: Some other facility, yes; I accept that. But in this paper it says: "A goal of the new programme is a return to the community of 50 per cent over five years." I just don't accept that. If you said a return of as many as possible over five years, I would accept that. But when you put 50 per cent on there, you don't know and I don't know and nobody knows. As I say, it could be 95 per cent, and I would hope it would be 95 per cent.

Hon. Mr. Brunelle: Yes, as many as possible. We certainly concur. I concur, Mr. Chairman.

Mr. R. S. Smith: Okay. You mentioned that a co-ordinator for mental retardation has been appointed in each district. I think there are 19 districts in the province and five—they are not called regions, they are called—

Hon. Mr. Brunelle: Areas.

Mr. R. S. Smith: Areas. In those five area offices, are there people to whom they report or do they report to a central group that is involved with members taking this programme?

Hon. Mr. Brunelle: My understanding is they report to a district.

Mr. J. G. Anderson (Assistant Deputy Minister, Programme Development): On an interim basis they are reporting centrally until the co-ordination is developed.

Hon. Mr. Brunelle: Yes, for the time being they are reporting centrally.

Mr. R. S. Smith: Until the co-ordination is developed between the delivery of service and—

Mr. Anderson: This new programme.

Mr. R. S. Smith: And this new programme.

Hon. Mr. Brunelle: It will take some time to bring this about.

Mr. R. S. Smith: The other thing I would like to bring up is the question of local planning groups. In this area of mental retardation I am sure that the OAMR is perhaps the major group in the province, if not the only one—I don't know of any other one anyway; there may be others—and the local chapters, I suppose, would be the local planning groups to which your ministry would be referring. But I really don't know, and I would like to know,

what the recommendations have been so far from the local planning groups.

I know in my area we certainly have a very active group that has gone ahead and built a lot of structures. They are always in debt and they are always in trouble but they always get ahead. Of course, with the mentally retarded I guess that has been the story everywhere, not only in Ontario but everywhere.

I wonder just how close a relationship is going to be developed between local planning groups and your ministry insofar as needs are concerned. I know programme standards and guidelines are to be developed, and this is perhaps a major area where the local planning groups should have an input, as well as the Ontario association itself. I have some other comments on that but I think I will just save those for later.

On general terms insofar as your system is concerned, some months ago there was a study done, as I understand it, in regard to social planning councils. I wonder if these were to be set up on the same basis as the health planning councils which have been set up here and there but not across the province yet. I would like the minister when he replies to explain to me just what the results of that study were.

The district regional offices in the five areas went around and interviewed all the members who came from their area in regard to this type of thing. At least Dr. Williams did in my area. I would be interested in finding out what policy has developed from that and when the ministry is going to make that policy known insofar as social planning councils are concerned.

I have some other questions but I think I should bring up now the main point of my remarks insofar as the programmes to assist people directly and remuneratively with funds and with money are concerned. We have FPA and general welfare assistance.

I will limit my remarks to the GAINS programme, to the differential between PUE and disabled, which I can't figure out, and I can't find anybody in your department who can tell me what the difference is. I can't find the medical person who can tell me what the difference is and yet you do have a definition of each in your regulations. For the life of me, I cannot tell the difference between a person who is permanently unemployable and a person who is disabled.

The only way that I can see any differentiation—and this would be utter discrimination—is to say that a person is permanently unemployable because of his mental handicaps and is therefore not disabled. I really believe that's

the only application that you can put on that type of differential, if, in fact, you are going to put that type of a differential into the Act. I would say to do that is just terrible in this day and age.

As I look at it and as I talk to medical people and as I talk to people who are PUE and people who are disabled, it baffles my brain and I am sure it baffles almost every brain in this province to differentiate between the two. I realize that the minister has indicated at some point in time that under the Canada Assistance Plan they insist that there be a differentiation. I find that hard to believe.

I have had communication with Mr. Lalonde that indicates there's no way they are going to come into this province and say "This person is PUE and this one is disabled" after a decision has been made by your field workers—in my area it's under Mrs. McCann—or by the group in your medical advisory board who, I suppose, make the final decision in regard to these matters.

When this first came out, I was perhaps your most avid critic of this type of situation where you were dividing these two groups. I could never understand what the difference was. I suppose I am, as my wife would say, a stubborn Englishman, and perhaps I will never know. I just can't accept the differentiation there and I think most people can't.

I have talked to people in your ministry who say to me that they don't know what the difference is. They can't understand why one person is disabled and another person is permanently unemployed. There must be some reason for a person being permanently unemployed. The only reason that I can understand is that he is disabled. If you want to say to him that he is permanently unemployed because he is lazy, well, okay, say it to him, but let's not get into this whole area of work.

Where the doctor checks him on the back of that form, whether he checks him No. 3 or No. 4, and then what he says on the other side which is almost illegible for most people to read anyway—I try to read it because I am used to some of their writing—and then tells him to bring it down here to a board of doctors who have never seen the person, is what I find to be even more difficult to understand.

They make a decision on the question of whether he is disabled or permanently unemployable—and the decision is on a very fine line—they make that decision without even seeing the person, without talking to him, without giving him any mental or physical examination themselves. If I was working in that area, I think I would be right up the wall by this time, because there is no way that I

could make that decision on a person, as to whether he is going to get \$165 a month or \$240 a month, on the basis of a report that is in front of me and I can't even see the person. Obviously the report can go either one way or the other, depending on my decision.

I just find that really hard to understand and I'm sure the minister will this year finally do away with that PUE business and put them all into disabled, where they belong, so that they do qualify for the GAINS programme.

The other thing I wanted to mention was, within the last month or so a study came out called "Poor Kids," and that's by the National Council of Welfare on children in poverty in Canada. I know your people are likely all aware of it but I don't know that the members of the committee are, so I would like to go through this a bit and point out what the real problems are.

As far as I am concerned personally, I think we have to support those adults who do not have the ability to support themselves financially. But more important than that, in the programmes that are administered by this department, we have to provide an equality of opportunity to the children of those adults. Everybody talks about the poverty cycle and all this kind of stuff, and being kind of cynical I guess most of us say, well, I suppose it's there and it's going to stay there. But on the other hand, if we don't do a damn thing about it, it is going to stay there.

I think basically when we are talking about FBA particularly, more than general welfare assistance, the emphasis we should be placing is not on whether the income of the family is enough to provide for the parent particularly, but whether the income of the family is enough to provide an equality of opportunity in almost every area of our social being for the children in that family, whether it be one or up to 15 if there are some that large today.

I think the real importance in this whole area is to provide that equality of opportunity for the child. I don't think we can provide the equality of opportunity for the children in this community at the rates of supplement that we are giving to them now through family benefits.

If the father and the mother are both on the GAINS programme and they are on FBA I think we can. I think we come close enough if there are two or three kids and the father and the mother are collecting \$480 on GAINS. But if neither parent is on the GAINS programme, if they are dependent solely on family benefits, then I think we are really missing out. We are far below the level of income for those families that will give that child an equitable position in society today.

That is what I feel is the most important job of your ministry. I think the job of your ministry is to get the dough out of the Treasury Board, get the money out of them, get your 50 per cent from Ottawa, and provide equitable amounts to meet the cost of living so that those young people are not nutritionally starved, socially starved or discriminated against in the educational field where they have problems because they come from poor families and they are poor kids.

Or perhaps the job opportunities are not available to them when they are 15, 16 and 17 because they come from poor families and their fathers don't know anybody who can find them a job. All these things add up to what we describe as the child who doesn't have much chance from the start.

I think this booklet by the National Council of Welfare certainly outlines directly where the problems are. Last year they published a similar study on nutrition and its effects on children and on their future insofar as their abilities to get ahead, to learn, to grow like every other kid and what not. It was kind of a shocking thing.

The one this year has a different approach, but still nutrition is a part of that. I don't think we have done anything in this province to alleviate that problem over the past 12 months, nor do I feel we have done anything to alleviate the problem over the past six years. I really don't see any change in the six or seven years I have come in here and talked in these estimates, at some length sometimes and at shorter length at other times. I really can't find a difference in the standard of living of those people between six years ago and now. I don't think the allowance they are being provided can buy one darned bit more in terms of their needs than it could six years ago.

Even though we may be giving them more money in terms of actual dollars, I believe we are probably giving them less money in terms of purchasing power—and that's really what counts. We can have \$1,000 in our pockets and if we are an inflated economy, it might be worth maybe \$500. Similarly, the poor family can have \$10 in its pocket, and in an inflated economy it might be worth only \$5. That's really what counts: What they can buy with the money they have, not how much money they have.

The National Council on Welfare report says—I will just quote a bit from it:

To be born poor in Canada does not make it a certainty that you will live poor and die poor, but it makes it very likely. To be born poor is to have the deck stacked against you

at birth, to find life an uphill struggle ever after. To be born poor is unfair to kids.

There is no question about that. I think that applies as much in Ontario as it applies elsewhere in Canada. I don't think we are any different here than in any other province. I don't think we are any farther ahead than most other provinces—maybe one or two are dragging their feet behind us because of their economic situation. But, generally speaking, on an average we are not very much ahead of the rest of Canada.

In Canada, I believe something like 24.6 per cent of the children are living in families with incomes below the poverty line. In Ontario, 17.1 per cent of the children in this province are living in families where the income is below the poverty line. So we are only seven points better than the national average; as the richest province in Canada, we certainly can't be patting ourselves on the back because we are three quarters as good as the average. I think we have a long way to go—of course, we always have to have the ultimate as our aim—until we have no children in the Province of Ontario living in families below the poverty line, then I think we haven't attained our goal.

Children need not grow up in poverty in Canada because there need not be poverty in Canada. I don't think there is any doubt about that. We have the incomes in this province to provide for those families. We have the means of taxation by which we can tax those incomes to pay. It might be okay to say that people are paying enough in taxes, but on the other hand there are people in the community who are deprived and who are living below the poverty line.

So whether we are paying enough in taxes or not is one question. The fact is that we have a responsibility that we are our brother's keeper. And whether we are Christians or whether we are non-Christians, or whether we don't believe in any type of deity, I think we all accept that as being a premise that is universal. So in order to do that we have to be prepared to pay.

There is some reference made in this to federal-provincial welfare ministers' conferences. It indicates they have been trying to reach income security in Canada, and are preparing a "new approach based on the principle of guaranteeing an adequate income for all." There is no question that if that is successful and if it moves forward on the basis that that guaranteed income will approach the poverty line, then I think we have done something.

But right now in Ontario the number of children living in poverty situations is over

400,000. That's 17.1 per cent, as I indicated earlier. The bulk of those children live, surprisingly enough, in the rural areas; and, surprisingly enough, in the rural northern areas of the province. That's apparently where the real poverty is. Insofar as numbers are concerned, the poverty in the urban areas is much deeper. But the incomes are the same for those on FBA, whether they live in Moonbeam or whether they live in North Bay or whether they live in Toronto; they are all the same. There may be more people who receive family benefits on a per capita basis in Cochrane North and in Nipissing, but I believe the people in this area, in Toronto, although they may be fewer in per capita numbers, suffer more greatly because the cost of living is higher and they don't have the other advantages of getting out and perhaps being able to change it in some other way.

So, there is that question of differences across the province—just as we have differences between provinces. I believe that perhaps it's time we started to look at scheduling that might provide a different income for those people who live in different parts of the province under family benefits.

I am not saying that anybody should be cut down. But, on the other hand, I am saying that they should all be brought up to the poverty line that would provide them with at least that minimum income in their area. If their area differs from another area of the province, then they should be paid on that basis.

As I understand it, there are those who live in Metro Toronto—for instance, a mother and three children—and they consider the poverty line income at around \$7,000. They consider the poverty line income for a similar size family at somewhere around \$5,200 or \$5,300 in rural southern Ontario.

There is a major difference between the cost of living in the city and in the rural parts of the province. I presume that major difference would be made up basically with rental differences and costs of shelter, although food costs as well could be considerably higher in the urban areas.

"For most of Canada's poor kids, the reality probably is less dramatic; its effects more subtly destructive." There is a quotation in here from a 14-year-old and this indicates how a child at that age, because of poverty, is left out of the recreational facilities provided mostly by income which used to come from your department to many parts of the province. The poor kids can't take part and this kid says: "I love sports but I can't participate in anything because we have no money for equipment. We can never do anything because of

lack of money. I feel as if it will always be that way."

If a child of 14 years starts to feel that it is always going to be that way, there is no question it is always going to be that way. From my own experience, I can't see how a mother with three children on family benefits could ever have a child playing hockey in any kind of a league because the first thing, in my city, is that it costs \$65 to register him and get him to play. Then you have to buy him \$100 worth of equipment. It costs \$165 to get the kid on the ice and I am sure you are as aware of that as I am. In Metropolitan Toronto, it is much more than that, likely.

The recreational facilities we have supposedly for everybody are not for everybody but for the guy with the large income who can afford to buy those things for his kids. We have 400,000 kids in this province who can't afford to buy those things. There is just no way. I know; I go and watch. I have a son who plays in minor hockey and I go and watch him and there are not too many kids there whose fathers aren't doctors or dentists or something else; or aren't at least in organized labour where they are making \$12,000 to \$14,000 a year. I don't see many there whose mothers are on family allowance, I'll tell you that.

Then there is the question of the child, insofar as his income and his health are concerned. There is a direct correlation between the health of children and the income of the family and it is not because they can get drugs or they can't get drugs, because now they can all get drugs. They could last year, and I think it was a commendable move on the part of the ministry to have the drug plan include those people on FBA and GWA.

There are other things which are perhaps not so obvious but in an insidious way lead to a breakdown of health. At the top of that list is poor nutrition and there is no question that the family left with \$1.50 or \$2 a day to provide for all the necessities of life for two or three people can't provide a nutritious diet.

There is no question that the mother who can't ingest the proper type of diet during her pregnancy is going to have a child that will be growing up a little shorter in height, a little different in his frame and structure than the other children and perhaps even a little less perceptive of what is going on around him. Because of this, he is not going to be as well equipped to take advantage of the educational process we provide at such great cost with moneys going out the window as though we have big shovels at the other end of the line.

For these 400,000 kids, those moneys are wasted. They can't cope with the responsibili-

ties which are theirs when they reach the point where they are provided with that advantage, because of the lack of nutritional value; they were unable to acquire it through either the ingestion of the parent during pregnancy or post-natally.

There is a British child development study which found poor children more likely to miss school due to illness, to be victims of home accidents and to exhibit hearing impairments and speech impediments. Among disadvantaged children the proportion affected by rheumatic fever, infectious hepatitis, meningitis and tuberculosis doubled that of other children; one in 16 as compared to one in 32.

There is a direct correlation between poverty and health. Of course, from there you go on to all the other things a person can't take advantage of because of their health, whether their health disability be physical or mental.

A 1969 study of 222 elementary school children in a low-income neighbourhood of Montreal's east end provided evidence that 21.3 per cent of the children were inadequately nourished. More than 22 per cent were retarded in their height and weight development; 27.5 per cent were retarded in their physical-mental co-ordination; 39.1 per cent of the children had a history of diabetes in the family and 20 per cent had a family history of tuberculosis.

Those things apply to the 400,000 kids in Ontario, too, because they are no different if they are living on the same type of diet as their fellow Canadians elsewhere in Canada.

As for accessibility to health care, in Saskatchewan, even after six years of experience with medical care insurance, the disparity by income class still remains. I wish Mr. Martel would listen to that. That is, the lower income classes still display less accessibility to the services of physicians.

Even in the Valhalla of Canada which we all hear about, there is a real problem because the medical profession and society as a whole has a different attitude toward the welfare person or the person on family benefits. I know, I have seen it. You go to a doctor's office and you sit there and wait. People on family benefits sit at the end of the waiting room and they get in there last; they sit there sometimes until 7 or 8 o'clock at night.

I know because I have sat there and watched them. It kind of makes me annoyed that I go in and sit down and there are other people who, because of their income position, are going to sit there much longer than I do. It really bothers me. That is the kind of experience we are having and it is because they are poor. There is no other reason for it.

School performance in native youth lags substantially behind that of other Canadians. I think that is apparent to all of us, particularly those of us who have Indian bands within our areas. I think a lot of it has to do with the substandard conditions under which most of them live. Many of them cease to attend school before they reach 15 years of age, and 51 per cent of native youth have less than grade 8 education, compared to 17 per cent of non-natives. There is a difference there, and that difference can be traced back to the factors of income, I think, rather than anything else.

The report goes on to deal with whether poor kids are bad kids? And why are we poor? Why are we no good. Or why am I no good? That's the syndrome which becomes current among the young people of that age group who live in that type of income family. Once that starts to become their way of thinking, it becomes their way of life; they are not going to change and that is when we develop the cycle we all talk about. The only way this can be changed is we pump more money into those families so they can have an equity of opportunity in all the areas we want to talk about.

A guaranteed, adequate income that eliminates poverty in Canada will cost roughly the amount of the tax cuts that were announced last year by the federal government. It would cost somewhere in the area of \$3 billion more that we're spending now.

I'm not saying that \$3 billion would cover the total cost of the guaranteed annual income, but it would cost \$3 billion more than we're spending now in the total area. I think if we had a choice between the tax cuts that were effected last November at the federal level and the tax cuts that were effected here just a few weeks ago, I would rather see that money spent in the area of guaranteed annual income and support of families which are now below the poverty line.

The present welfare system really isn't servicing adequately the children of our community, just as it is not servicing adequately the parents of those children, the disabled or PUEs—the disabled aren't badly off now—the PUEs, the dependent fathers and the others, the blind—they're covered by GAINS, but the other ones that we've spoken about.

Poverty lines, in 1974 terms, range from \$7,600 for a family of four in the metropolitan area, to \$5,500 for the same family in the rural areas. These poverty lines are set on the basis that wherever 62 cents out of every dollar is taken up for provision of the necessities of shelter and food, then that family is considered to be under the poverty line.

There are just a few statistics from this report I would like to give to you, and I know some of my calculations will be lower than what they would be if, in fact, they were calculated today because I think you have had two increases in family benefits. There was one at the first of January—

Hon. Mr. Brunelle: Going backward, the last one was Oct. 1, 1974, and then Jan. 1, 1974 and then September, 1973.

Mr. R. S. Smith: The only effect that would not be considered in the estimates I have would be the increase in October of 1974, because that's the only one that's not taken into consideration in your handbook, isn't it?

Hon. Mr. Brunelle: Well it depends. I believe our last handbook was in March, 1975.

Mr. R. S. Smith: I don't have the 1975 one. We don't get those. They've got to be out eight months before we get them.

Mr. B. Newman: We will get them in 1976.

Mr. R. S. Smith: I have a March, 1974, handbook. That's what I had to work with.

Mr. Martel: That is what they call the Kremlin papers. Everything is kept in the vault over there; the Kremlin papers.

Hon. Mr. Brunelle: Mr. Chairman, I think they just came out recently. We'll make sure we have copies for everyone.

Mr. R. S. Smith: Okay. So in Ontario, with two persons on family benefits, according to the 1974 handbook, the income would be \$3,120—that's for two adults—and the poverty line is \$3,895, so they're about \$700 below the poverty line. If you have three children and one adult—and 65 per cent of those one-adult families, mother-led families, have incomes below \$5,910; that is 65 per cent of the children in this province in a mother-led family—the total income from your source is \$3,964, plus whatever your increase was in October.

Of course, that increase since last Jan. 1, or since these papers came out, has been eaten up by inflation anyway, so we're talking about the same ratio of difference. So that family is \$1,000 short of even meeting the poverty line, and that's when there are two children 10 to 15 and one under nine and the mother.

The income is \$3,964 whereas the poverty line is \$5,910. Individual cases may vary, but we can't talk about individual cases because we have to talk about averages.

The only other thing I'd like to point out to you—and this should make you feel good—is that the second richest province in Canada is

no better than we are. They are 24.5 per cent. They are right on the Canadian average of children living below the poverty line. Alberta with its \$2 billion deficit is even worse than you guys. There are worse Tories than you fellows. I didn't think there were, but there are.

Mr. Martel: They are hard to find.

Mr. B. Newman: Surplus of \$2 billion.

Mr. R. S. Smith: I think it is significant that Alberta with a \$2-billion surplus—not deficit as I said—would have 24.5 per cent of its children living below the poverty line; and 44.5 per cent of its children who live in rural areas in Alberta, where the oil is—or where it isn't I guess, it must be where it isn't—living below the poverty line. That's an indicator that the richest provinces are not always the best providers.

The significant figure we have to remember here is that 65.2 per cent of the children of one-parent, female-headed families are living below the poverty line. I think that's a real problem when we consider that even in that area there is one little thing in your regulations that likely brings about a good percentage of that. You know as well as I that the one-parent family can earn up to \$100 a month and after that 75 per cent is taken off.

That applies across the board to all those on FBA; except there is a difference for mothers of the disabled or of the PUE's or some of the others; and that is they can't average it over four or six months or whatever it is, it has got to be in that one month. If they work one month and make \$200 they lose \$75, even if they don't work for another three months.

You've looked after that in everything else with the exception of the one most significant area where you should have done it. It is so obvious and so stupid that it almost makes one cry when a mother comes to me and says: "Why can't I average it over four months?" I phone up and they say: "If she had FBA under some other programme she could average it, but she can't because she's a mother." That's practically ridiculous. I figure the first thing you should do when you go out of here is change that regulation.

Hon. Mr. Brunelle: That is just about to be done.

Mr. R. S. Smith: It is just about to be done.

Hon. Mr. Brunelle: It is very reasonable.

Mr. R. S. Smith: It does get them into all kinds of difficulty; really for nothing, because it is not even fair to them.

The only other point I'd like to make is that under the existing family benefits legislation some welfare families in Toronto have as little as 50 cents per day per person to spend on food. Actually, rental rates in Toronto, on average, are \$37 per month more than what is allowed in the legislation. As I understand it, the legislation is \$102, plus \$5 for each child up to a maximum of five children for a total of \$127.

You are not going to rent anything in Toronto for \$127, especially if you have five kids. You are not going to rent anything if you have five kids, period. That's the impression I get anyway. I think that's a real problem that has to be corrected.

Basically speaking, the problem is, like everybody else today, you have to catch up. The teachers and the civil servants talk about catching up. Everybody is talking about catching up. You guys all got caught up, you got your 22 per cent or something.

Hon. Mr. Brunelle: We took a five per cent cut.

Mr. R. S. Smith: Half of that you didn't pay on income tax.

Everybody is talking about their catch-up increase. Obviously this has taken place in industry; it has taken place in government; it has taken place in services such as nursing and so on. But it certainly hasn't taken place for the family benefit recipient.

I would suggest to you that the only way you are going to catch up is to increase family benefits across the board by 25 per cent and then index it. That is the only way you are going to catch up or to try to stay even. Right now, most of those people living on your family benefits are at least 20 to 25 per cent below the poverty line.

As far as I am concerned, you have no alternative but to bring in a catch-up increase of 20 to 25 per cent and then build in an index that will rise with the cost of living, regardless of whether the Treasurer might call it inflationary. It is not inflationary if people must have it to eat. I am sure he would understand that if he was a little hungry.

Mr. Martel: You bet.

Mr. R. S. Smith: He wouldn't worry about whether it was inflationary if he had to do without something. We are all like that—I don't say that to disparage him—we are all like that.

The only other thing I would like to talk about is a study of people receiving family benefits. I believe they mailed out 239 ques-

tionnaires. I won't go through it all, but I would like to indicate to you a summary of the findings.

The first thing that bothered people—and this was done in my area by some people in your ministry; at least I think they are people in your ministry. I saw two or three of the questionnaires because people came to me to help them fill them out, so I knew what was in the questionnaire. But I filled them out as they wanted; I didn't change their answers.

The first thing that bothered people in my area, outside of the fact that they didn't have enough money—and that was general; they all didn't have enough money. But the first thing they were bothered about, outside of that, was free legal advice.

The legal aid system just doesn't work because it is not accessible to people on a simplified basis. In other words, what you need in your district offices is a lawyer who can give people free legal advice, not on major matters but on simple questions they want to ask. I am sure you might find this very difficult to provide, because most lawyers are making astronomical incomes.

On the other hand, you have 10 offices and I think there should be some way that a lawyer could be assigned to four or five offices and move around from one area to the other. He could either call on people or have them come in on certain days so that they could be provided with simple answers to their legal questions—and they certainly do have a lot of them.

The legal process of going through a welfare officer to get a ticket to go to a lawyer to get the right to go to another lawyer is almost impossible for most of them to cope with, unless it is a very serious matter.

The second thing that these people on FBA found was that recreational services were not available to them because they were on FBA and because they couldn't afford them. I think that underlines the points in the study that has been done by the federal welfare council.

The third thing was that even though we have Medicare and they have their OHIP cards, medical services aren't available to them on the same basis that they are available to everybody else. We do have a small minority in the medical profession who still insist on charging more than the OMA or OHIP-negotiated fee, and it is almost impossible for those people to pay an \$18 or \$20 bill after an operation.

I think there should be a law in this province which says that no doctor can charge above the OHIP or OMA fee, even if he bills direct to the patient, if that patient is in receipt of family benefits or social services assistance.

They simply can't afford to pay that other 10 per cent, and it becomes a millstone around their neck. There are a few doctors, very few, who do it; but there are some who would insist that all their patients pay that 10 per cent as a matter of principle. Well, it's a matter of principle with me that they shouldn't be paid at all if the person is on family benefits or on GAINS, or any of the other social assistance programmes.

The fourth thing I wanted to point out was provincial social assistance. The fourth common area of concern is the need for information concerning provincial social assistance. This would seem to indicate that the recipients of family benefits are extremely interested in knowing the facts about the legislation governing their lives and which dictates what they can and cannot do. It would appear there is still a large information gap.

From the survey that was taken of 239 recipients, it ranked fourth of the things they wanted changed. Obviously, there is a job to be done in providing the recipient with information he requires in regard to the programme he is on. In that particular vein, is the 1975 family benefits handbook we are going to get going to be distributed to all recipients or just some?

Hon. Mr. Brunelle: They are made available to the district offices and to as many areas as possible. Whether it should be sent to each individual recipient, I do not believe that will be done.

Mr. R. S. Smith: It won't be done?

Hon. Mr. Brunelle: No. Actually, it is just a revision of the rates; and also it gives the increases in the diet allowances and those other areas.

Mr. R. S. Smith: Are these booklets made available in any language other than English?

Hon. Mr. Brunelle: They are printed in the two official languages. Where there is a demand we make them available—not in the booklet form but in an addendum.

Mr. R. S. Smith: That's fine. There is one other thing I want to ask—and it will be my final comment for now. When are you going to announce the increase in the FBA rates? With that, I am finished. Until you answer that there is no use in even talking about anything else.

Hon. Mr. Brunelle: Mr. Chairman, as the hon. member has mentioned, there is no doubt that due to inflation there is certainly a need to make adjustments in the rates of social

assistance. We have submitted this, and the matter is under a very active consideration at this time.

Mr. Martel: You are considering spending \$75 million more than in the budget.

Mr. R. S. Smith: It is either already budgeted for or you are obviously budgeting for a deep downturn in the economy, so you take your choice.

Hon. Mr. Brunelle: We recognize it; we recognize there is a need for adjustments. As you have indicated, the last adjustments were made in October, 1974.

Mr. R. S. Smith: You recognize there is a need for—what is that term they are all using—a catch-up? You realize there is a need for a catch-up, and not only an across the board increase?

Hon. Mr. Brunelle: I think we are all in agreement that there is a definite need for adjustments to be made to compensate for rising costs due to inflation.

Mr. Chairman, the hon. member raised several points, and these will be coming again under various votes. I wonder if he would be agreeable to leave the matter the way it is; I am sure there are other members who wish to make a contribution to those various areas.

Mr. Chairman: Perhaps after we have heard Mr. Martel you might want to make some remarks on those things.

Mr. R. S. Smith: Maybe after Mr. Martel's speech you'll want to answer both of us. How would that be?

Hon. Mr. Brunelle: Yes.

Mr. Chairman: Mr. Martel, you can go ahead now in the general comments.

Mr. B. Newman: Clear your throat.

Mr. Martel: I've cleared it, like the minister when he came to—the member for Windsor-Walkerville mentioned clearing your throat—I think that's what you did when you came to the item on day care. It would take clearing the throat to discuss day care from this ministry.

I may as well start at the point where the member for Nipissing left off with respect to an imminent announcement which has to be forthcoming because you've got \$75 million more in the budget, as opposed to last year. Surely to God you're not going to do like you did 1973-1974 where you had \$318 million estimated for family benefits income maintain-

ance and only spent \$299 million. Any government that could have \$318 million in the field of social welfare benefits and couldn't spend it all has something sadly lacking in that ministry.

Hon. Mr. Brunelle: Not necessarily, Mr. Chairman.

Mr. Martel: Yes.

Hon. Mr. Brunelle: When the economy picks up; you can—

Mr. Martel: When the what?

Hon. Mr. Brunelle: You can overestimate and underestimate the number who will be on social assistance.

Mr. Martel: There are so many programmes which need improving that with that income maintenance of \$20 million you could have done a lot of imaginative things. You might have introduced a diet programme or something like that which was meaningful. You had \$20 million left over and that to me is an indication of all that's wrong with the government of Ontario when dealing with this field.

Everything is there. It's all set; \$20 million; I remember 1973-1974; that's only a year ago. We weren't talking about upswings, we were talking about an increasing number of people on unemployment. We were talking about an increasing number of people on family benefits and on general welfare, and you would have \$20 million left over. If you couldn't find where to spend \$20 million there's something sadly lacking in this ministry.

It's nice to try to consider these estimates. There's no annual report. This morning we got the board of review report from Miss Crittenden. We also got the programme and resource summary some time today from Miss Crittenden. It's a great way to consider the estimates, isn't it?

Mr. Chairman: I think we have covered that, Mr. Martel.

Mr. Martel: I don't care whether we've covered it. I haven't said anything about it yet.

Mr. Chairman: You did have something to say about it because you did mention it, I think the record would show.

Mr. Martel: I think I threw in a sideline comment, but I haven't spoken directly to it. I told you what happened and how it was that even the minister got to know about it.

Mr. Chairman: Do you realize it would be repetitious?

Mr. Martel: I realize that. I realize, that as long as you interfere it's going to take that much longer too.

Mr. Chairman: I could not care less if I interfere or not. If you're out of order I'm going to call you out of order and I'm going to keep on doing it until you—

Mr. Martel: You have to prove that I'm out of order first.

Mr. Chairman: There is no doubt about proving it.

Mr. Martel: This is the first opportunity I've had to speak and you can't start ruling me out of order. You tried that with the member for Nipissing only some of the items you were ruling him out of order on were contained in the minister's opening statement, but you didn't rule the minister out.

Mr. Chairman: More properly, I just pointed out to the minister—

Mr. Martel: Nor did you even bother to interject when the minister was speaking, did you, Mr. Chairman? You didn't interfere once.

Mr. Chairman: I only pointed out that these matters were more properly dealt with under other items of business of the House.

Mr. Martel: You didn't rule the minister out and you didn't interject when he was speaking.

Mr. Chairman: I allowed the minister to reply to Mr. Smith because I thought it was reasonable to do so.

Mr. Martel: When the minister made his opening remarks there were items in there—

Mr. Chairman: Mr. Martel, please proceed on general comments.

Mr. Carruthers: I wish you fellows would try to get along.

Mr. Chairman: We're not going to get along, obviously, because Mr. Martel doesn't intend to.

Mr. Martel: If the chairman would just sit back and relax, we might be able to proceed. If he's going to be provocative he leaves me no alternative.

Mr. Lane: Take another one of your nasty pills, Mr. Martel.

Mr. Chairman: I won't be provocative if you deal in the areas you're supposed to be dealing in.

Mr. Martel: I am. I'm dealing with the fact that we didn't have an annual report. That's item No. 1.

Mr. Chairman: That's different from what you were talking about.

Mr. Martel: The record will show the first thing I mentioned we didn't have was the annual report.

Interjection by an hon. member.

Mr. Martel: If it's back there you'll be able to get in Instant Hansard. I said we got the board of review report from the deputy minister; and the programme and resource summary we got from the deputy minister. The latest FBA account we haven't got yet.

The format for the estimates—once again. I'm not sure if it's a deliberate design to confuse those who are looking at the estimates but in the four years I've been the critic they've never been the same once. Now, look at the first item.

Hon. Mr. Brunelle: These are changing times.

Mr. Martel: Changing times? It wouldn't be too bad if there were some policy changes, some improvements. I think it is because you try so desperately to hide your lack of programmes that you do it. If you look at this year's estimates you will find, in the first vote alone, what were items 4, 5, 7, 8, 9 and 10 last year are now removed. God only knows where they are, and He hasn't told me yet.

Hon. Mr. Brunelle: As the hon. member knows, part of our ministry went over to Culture and Recreation. That part called the community division went over to the new Ministry of Culture and Recreation, so this brought about changes in the format.

Mr. Martel: This is all in item 1, vote 2601. What were considered items 1, 2 and 3 from last year have now disappeared. I am not sure where they are. That is part of the gymnastics one goes through annually with this ministry, trying to find out just what the hell goes on.

Last year Miss Crittenden had a special booklet made up so we could follow it. This year that is not there. I guess she didn't have time—not being aware that the estimates weren't coming until I advised her—she didn't have time to prepare for it adequately, but I think it is a deliberate attempt to hide the fact that there are so many things—

Mr. Chairman: Maybe she didn't realize you were going to be on the estimates committee this year.

Mr. J. E. Stokes (Thunder Bay): You are not being helpful, Mr. Chairman, really you aren't.

Mr. Martel: I think it is a deliberate attempt to hide the issue, to hide the fact that nothing ever changes. I have been the critic now for four years and really, nothing much has changed. You have introduced a GAINS programme that came from BC; it is called Mincome there, I guess. You have adopted a few drug plans that came from BC; but your own programmes, new and imaginative programmes from Ontario, have been sparse to say the least. The deputy minister cringes. Of course, part of the problem is attitude. Let me give you the attitude of a Tory, a red-necked Tory none the less—

Mr. Carruthers: Does that apply to all Tories?

Mr. Martel: It should be.

Mr. Stokes: I hope not.

Mr. Martel: This is a federal Tory mind you, but none the less a Tory. He was speaking on the welfare system in Canada and he said:

The first step toward restoring the limited concept of government should be to freeze all welfare programmes at their present level, making sure that no new ones are added. The next step would be to allow all present programmes to run out their term, with absolutely no renewal. The third step would involve the gradual phasing out of those programmes which are indefinite in their terms. In my opinion, the bulk of the transition could be accomplished within a 10-year period and virtually completed within 20 years.

This is Mr. Hurlburt, kind of a red-necked Tory from Alberta. He goes on:

Someone asked: "Is this Tory policy?" No, this is my own policy, Mr. Speaker. I have run into a good deal of static from members to my left. [you know, always to the left] It doesn't bother me, because I am proud to have been born in this country and proud to have been given the opportunity to earn a living in it.

That is what my friend, the member for Nipissing, spoke about and what I intend to speak about at great length, the opportunity. Somebody gave him the opportunity because in fact it wasn't his own, it was probably daddy's. It was probably handed off to Hurlburt. That is the irony of our system.

You hear the Minister of Education (Mr. Wells) talking about equal educational opportunities in the Province of Ontario. Well, it is

a lot of—I guess I better not say that word—a lot of nonsense. Ones goes on to equal medical opportunities and that is a lot of nonsense too. Mr. Hurlburt says he wants to run his own farm, a little farm out in the Prairies, you know, with all the tax concessions. He doesn't want welfare programmes but he wants to be allowed to run his farm out in Alberta with the tax write-offs and the fast write-offs for new equipment. But for the poor? No. Only socialism for the rich.

You have got to fight attitude, Mr. Minister. For two or three years I have been asking you to spend a little money in advertising to show the public that only two or three per cent of the public take the system for a ride—most Tories believe it is nearly everyone—and you couldn't find a cent. You have never been able to find a cent to do that advertising, have you? Yet coming down today I counted three different ads run 27 times by the Ontario government. You know, the phony ad on advertising, the one about looking for a job and the one on housing. But you could never find \$5, could you, Mr. Minister, to advertise that the overwhelming majority of people who are on FBA or GWA aren't parasites?

You couldn't find a cent for that sort of advertising. It might not buy you any votes, but it might clear the way for a different attitude where government is attempting to fund programming for those who are less fortunate. You couldn't find a cent for that, but you Tories can find all kinds of it in an election year. You can find it for all kinds of nonsensical things, such as the buzzer on the consumer protection commercial. You might introduce consumer legislation that would protect them, but you wouldn't find any money anywhere in your budget to do a little advertising to help to change attitudes.

For three years now, I have asked you—and there has been nothing. You always say it's a good idea but you never spend a cent. Then you wonder why you are stonewalled when you go to your own cabinet and Management Board to get money. I have listened to the attitude that prevails around this place. You know, I walk the back alleys in this joint too, and I hear your colleagues telling me about all these lazy people on welfare who don't want to work.

In the first place, you might change attitudes. You might ask the Premier (Mr. Davis) to force all your cabinet colleagues and all your backbenchers to read this little booklet—it would only take about an hour—as prescribed reading from the Premier. It might help to change a few attitudes.

Your programme system, as I mentioned earlier, is a mish-mash as usual. God only knows its direction. It is still based primarily on just keeping people alive. It's not really aimed at programmes that will rehabilitate. It is not aimed at programmes that are preventive. Nothing has changed in four years. I am talking about four years now as the critic. Nothing has changed. I look at the amount for vocational rehabilitation. It is \$10 million. I guess it was that last year; you probably have less money in it this year than you had last. You overspent last year; that is my understanding. Nothing changes. Emergency, stop-gap, call it what you want, it's a nightmare.

A couple of years ago, the first time I spoke, I quoted extensively from the Senate report on poverty and the Real Poverty Report, written by the four young men who left the Senate committee because the Senate committee didn't want to deal with what caused the problems—of course, income distribution. It's intriguing that in this report called "Poor Kids," they make an interesting statement about researchers. "Canadian social science researchers have evidenced a considerable determination to preserve academic irrelevance by ignoring variables so mundane as income adequacy."

That just about puts it where it is really at in this society of ours. We have studied the problems until we are blue in the face. I could quote extensively from this document but it wasn't anything that wasn't known in 1970.

Your problem is to get down to the nitty-gritty and to start to distribute the income a little more fairly. The Senate report didn't want to deal with it, but the Real Poverty Report did. Interestingly enough, the Hon. Marc Lalonde made a speech recently on poverty in Ontario and in Canada. He said each of us could draw our own conclusions from the data he had presented.

Here are some hard facts that impressed me. Twenty-three per cent of the families in this country were living on less than \$5,516 in 1972. This figure was 49 per cent of average family income in Canada, which means that one-fifth of all Canadian families were required to live on incomes of less than one-half of the national average family income. Even more striking is the fact that the share of the total Canadian family income being received by this bottom 20 per cent of the families was less than six per cent of the total income. I will come back to that in a moment.

He said 20 per cent of families received less than six per cent of all family income. Compare this with the fact that the top 20 per cent of Canadian families in 1972 received 39 per cent of all family income. That was roughly

the same figures in the way they were divided 20 years ago, despite 20 years of tax reform. Twenty years ago the bottom 20 per cent got six per cent of the family income and the top 20 per cent had in those days, I believe, 40 per cent. They now have 39 per cent. That is pretty devastating stuff.

Just to take it one step further, for example, he says:

My second point is that the situation would be worse—very much worse—if it were not for the social security or transfer payments presently being received by lower-income families and for progressive income tax being paid by people on higher incomes.

Do you know, for example, that without these measures 20 per cent of Canadians receiving the lowest family incomes in 1971 would be receiving, not six per cent of the total family income in Canada but only 3.4? Do you know, to look at this another way, that for families actually receiving \$4,000 or less, over 50 per cent of their income comes from transfer payments or social security payments?

Mr. Chairman: Is this a reasonable place for you to break your remarks?

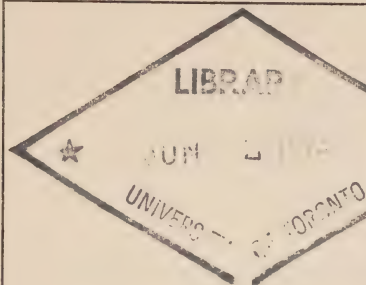
Mr. Martel: Sure, I will pick it up there.

The committee adjourned at 6 o'clock, p.m.

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ESTIMATES, MINISTRY OF COMMUNITY AND SOCIAL SERVICES

Standing Social Development Committee *57*

Chairman: Mr. R. G. Hodgson

OFFICIAL REPORT — DAILY EDITION

Fifth Session of the Twenty-Ninth Legislature

Tuesday, May 6, 1975

Afternoon Session

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

THE QUEEN'S PRINTER
PARLIAMENT BUILDINGS, TORONTO
1975

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Daily index of proceedings appears at the back of this issue. Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff (Phone: 965-2159).

LEGISLATIVE ASSEMBLY OF ONTARIO

TUESDAY, MAY 6, 1975

The committee met at 3:30 o'clock, p.m.

ESTIMATES, MINISTRY OF COMMUNITY AND SOCIAL SERVICES (continued)

Mr. Chairman: Mr. Martel, we are in the middle of your comments.

Mr. E. W. Martel (Sudbury East): The middle? It was just the beginning.

Mr. Chairman: I was overoptimistic.

Mr. Martel: Mr. Chairman, I'm going to pick up the pieces where I left off yesterday. I was quoting from a speech by the federal minister, the hon. Marc Lalonde, that despite all our shifts in taxation over the last 20 years, if it wasn't for transfer payments the bottom 20 per cent of the population would not be receiving six per cent of the total income of this country as they were 20 years ago, but would be receiving 3.4 per cent. That's after 20 years of tax reform in Canada. In fact, the proportion of 20 per cent in the bottom half is 2.6 per cent less than they had 20 years previously.

I think that says something. That says something for the subsequent Liberal and Conservative governments in Ottawa, which did nothing with the Carter commission report, except let it sit idly by. Nothing has changed; the poor just get poorer. And when we say it around here people think it's a cliché, that it really doesn't occur. And yet we all know that it does, and it's getting worse.

My friend, the member for Lanark, shakes his head. Is he disputing the facts that are being presented by the federal minister responsible?

Mr. D. J. Wiseman (Lanark): If he wrote them he must be right. You obviously say they are, but you are political every time you get a chance.

Mr. Martel: I'm quoting from notes from an address by the hon. Marc Lalonde to the Empire Club of Canada—isn't that the epitome of the institutions in this society of ours?—entitled "Income Distribution: the Question of Community Ethics". And that was just delivered on Oct. 31, 1974, so nothing has

changed. We've heard all the prattling around here, for the four years that I've been critic, on how things are changing, how things are getting better. But in fact without transfer payments the people would be worse off. And those of us who are skimping, who would like to have even that curtailed if we could arrange it, don't give credence to those statistics. Despite all of it we continue to study poverty—we've got report, on report, on report. And nowhere do we want to discuss the methods whereby we eliminate it.

I started out yesterday saying the Senate report on poverty didn't want to discuss it, and so you've had the real poverty report come out because they didn't want to deal with the taxation issue. I've talked to many of the people on your staff, Mr. Minister, and I suspect they're in agreement that the only change will come through a major shift in the taxing policy of this country. It's not going to come through a meaningful income distribution, and it's not going to come by itself. It's going to come with people willing to just give a little.

All of the shifting that has gone on, by the way, has reduced the income of the upper people by less than two per cent over this period of time. So we haven't taken very much away from them. They fight like mad to keep it too; you want to believe it. And they use everything at their disposal.

You say I'm political, and I say to the member for Lanark, no more political than the people who have it all and are trying to retain it for themselves. And then they go to church on Sunday.

For the last three or four years I have talked about the poor, primarily the parents, the FBA and GWA recipients and the handicapped. It is interesting to point out that my friend from Nipissing (Mr. R. S. Smith) came in to see me yesterday morning. He said, "What are you going to talk about? We haven't had much time to prepare."

I said, "I came across the most fascinating book Friday."

"What book was that?"

"'Poor Kids'. Have you read it?"

"You know, I got it this morning," he said. "I'm going to base my remarks on it."

It was ironical that we were both dealing with the same document. Without a doubt, its 38 pages or so sum it all up. After that is said, there is nothing left to be said. The only thing is some action.

Mr. Chairman: It's surprising how many more words you can find.

Mr. Martel: It is obvious that it hasn't penetrated though, isn't it? No matter how many words have been used, you haven't had an imaginative programme in this province for years in that field. Maybe some people are just obtuse.

The first page carries the introduction; it says, "To be born poor . . ." You know, all Tories like to believe the good puritan ethic, that if you try hard and you work hard, you are going to succeed; it is just a matter of time.

Mr. E. P. Morningstar (Welland): Unlike the NDPers.

Mr. Martel: I don't happen to believe that. You do; you might be naïve enough. I don't happen to be.

Mr. Morningstar: You are not what?

Mr. Martel: Naïve enough to believe that if you work hard you automatically succeed.

Mr. Morningstar: Oh, I think you do.

Mr. Martel: Would a few more like to comment? We could get you all on the record.

Mr. Morningstar: Sure, if you work hard enough; if you have perseverance, determination—

Mr. Chairman: Order, please.

Mr. Martel: I hope you stay around, because for the next hour I'm going to quote what happens to the poor; and at the end of the hour we'll find out whether you think that's right or not—if you stay around that long.

Mr. Morningstar: I'll be around.

Mr. Martel: Good. I hope you listen.

Mr. Morningstar: Yes, I will.

Mr. Martel: Thanks very much.

The introduction reads:

To be born poor is to face a greater likelihood of ill health in infancy, in childhood and throughout your adult life.

To be born poor is to face a lesser likelihood that you will finish high school, lesser still that you will attend university.

To be born poor is to face a greater likeli-

hood that you will be judged a delinquent in adolescence and, if so, a greater likelihood that you will be sent to a correctional institution.

To be born poor is to have the deck stacked against you at birth, to find life an uphill struggle ever after.

To be born poor is unfair to kids.

I'm going to talk about each one of those, because the statistics indicate that what they say in that first statement is precisely what happens. Your chances of going to prison in Ontario are greater.

Mr. Morningstar: That's baloney. I don't believe that.

Mr. Martel: No? Okay, you stay around. Mr. Morningstar doesn't believe it. Would somebody put that on the record?

Mr. Morningstar: Today, within this great country of ours, nobody is hard up.

Mrs. M. Campbell (St. George): Oh! Pardon me, Mr. Martel.

Mr. Martel: No, I enjoy that. I hope he puts some more of those remarks on the record.

Mr. Morningstar: I'll do that.

Mr. Martel: We'll show how not only statistics from Canada but a variety of studies indicate that to be born poor means your chances of success are a hell of a lot less and that some of society has got to change.

First, I want to define who is poor. There is really nothing new in this study of who is poor, except the numbers—and my friend from Nipissing mentioned them yesterday—1,657,017 kids are classified as poor, or 24.5 per cent of the kids in this country are living in poverty.

What do they call poverty? Poverty is where more than 62 per cent of the family income is required to provide the minimum necessities of food, shelter and clothing. That family is living in poverty. If one looks at rentals in our society, if one looks at food allowances, if one looks at shelter allowances paid by your ministry, Mr. Minister, it is obvious that everyone who receives benefits from your ministry lives in abject poverty. A possible exception is one group, married senior citizens who both happen to be over 65. They are a little better off and I'm not begrudging them that, but they are better off than the rest of the people who receive benefits from this ministry by far and away. I don't begrudge them because they happen to have made this country what it is.

Even the rich provinces, BC and Ontario, have one in six children living in abject pov-

erty. The other statistic is that while Quebec has a lesser proportion of its children living in poverty than do six other provinces, and Ontario has the lowest proportion of all, the greatest number of poor kids, 929,533, live in Ontario and Quebec. So almost one million of 1.6 million live in Ontario and Quebec and we stand condemned. We are the richest province.

As my friend from Nipissing said yesterday, the majority of the poor are in rural areas. And you Tories take so much pride in what you have done for rural Ontario. The worst poverty is in rural Ontario as a whole and you gloat, you brag and you boast about what you have done for the farmer. Those are the people who have the toughest time and they are in the municipalities of under 1,000 population. That would apply equally to northern Ontario, of course, Mr. Minister, and I guess it would be worse if one were to take into consideration the native population.

I want to commend this ministry, by the way, in surrendering its obligations to the Indians by passing them on to the Ministry of Culture and Recreation. That's a great place to have the development of the Indian community, in Culture and Recreation. They'll do a good deal for them. It's like a hot potato. Nobody wants it. The Indian development has been in more ministries in the past eight years than you can shake a stick at. We've done nothing with it except pass it from minister to minister. They don't want to get too close to the problem so if they keep handing it away then they really never have to answer for it.

Rene, you should have fought to retain that in this ministry. You should have fought like mad.

Mr. Chairman: Please refer to the member to whom you just spoke by name as the hon. member or the minister.

Mr. Martel: Mr. Minister, you should have fought like hell to keep the Indian community in this ministry because if we're ever going to help them it has to come from somewhere and I don't see it in Culture and Recreation. I'm sorry, I just don't. I don't think it fits in there. But that's the type of thing we're dealing with.

Another interesting statistic is the poor. My friend wrote an article in the Oxford paper a year ago about my comments. I was pleased about it. Maybe he'll enjoy this statement.

Among children in two-parent families across Canada 21.2 per cent were in poverty; among these in male-headed single-parent families, 33.7 per cent were in poverty; [This pertains to where the father was the head of the family and there is no mother] among those in female-headed single-parent

families, an incredible 69.1 per cent were in poverty.

Do you know who has all of those? This ministry has them in this province. They live in poverty, every single one of them.

Maybe some of you sleep well at night. I don't know. Obviously you do, because the Minister of Natural Resources (Mr. Bernier) told me today that I was over-exaggerating again in saying what we found out. He's been telling me that for five years. We found out there were 450 silicotic and pre-silicotic cases in Elliot Lake; that was an over-exaggeration too. So, I suppose, many Tories will consider that final lab statement of mine an over-exaggeration. But these are the statistics. I don't know.

Here's a little fellow quoted about poverty. He says:

My name is Pierre. I am 13 years old. I'm the eldest of seven children. What makes me suffer most is not having a house but having to live in a shack which is always cold and too small for the family. There are nine of us. The seven children all sleep together in two 36 in. wide beds pushed together in winter for more heat since we don't have enough blankets. We have an old broken down stove. In the winter we push the beds near the stove, but it's quite dangerous. Autumn isn't very much fun either. It's also cold, and the rats come in. You have to watch that they don't bite the kids.

And we ignore it. We pretend it's not there. Or we turn our head the other way.

What are the effects on kids born into that type of society? What are their chances? That's what I really want to talk about. What are their chances?

The first thing I want to talk about is diet, Mr. Minister. For the fun of it I looked it up this morning. You made a promise to me last year, Mr. Minister, that you would do something on diets.

On page 1243 of Hansard you talked about a seminar. It has now been headed up by a Marilyn Winarski with the Ministry of Health. And that was established even before your promise, by the way, in 1973. To this date there is no commitment. There are no reports. There is no necessity to make a report, there are not even guidelines.

We have established in Ontario a budget—in the Ministry of Agriculture and Food, I believe—of \$50,000 for some type of advertising with respect to proper nutrition. But you indicated to me last year that you would do something with respect to dieting. What have

you done? I expect that to be answered before these estimates are done.

I quoted extensively from Mrs. Higgins' study of last year and the 10 or 12 years she has been doing it. And yesterday my friend, the member for Nipissing, quoted it partially. He could have gone on because there was a great deal. An interesting comment is that many poor kids begin paying the price of their poverty in stunted growth that begins before they are born.

There are more studies about this now than you can shake a stick at. And what have we done in Ontario? I know that the Metro Social Planning Council of Toronto has gone to one of the hospitals for funding and has been rejected. I have suggested it contact the minister because of his commitment last year.

Because what happens? England's national child development study—a continuing monitor of 16,000 British-born children—found that children of the poor were far more likely to be born underweight and premature than those of the non-poor. Among the children of the poor, one in 12 weighed 5½ lb. or less at birth, compared to one in 20 among the non-poor. One in four poor children was born before the 39th week of pregnancy, compared to one in six non-poor.

What are the effects? The British child development study further found that poor children are likely to miss school due to illness, be victims of home accidents, and exhibit hearing impairments and speech impediments. Among disadvantaged children the proportion affected by rheumatic fever, infectious hepatitis, meningitis or tuberculosis was double that of other children—one in 16 compared to one in 32.

Maybe the member who interjected a while ago that the poor have an equal opportunity, would choose to comment at this time. No, he shakes his head.

The other thing about Mrs. Higgins' study, it says:

Among private patients of the Royal Victoria Hospital the incidence of perinatal mortality [that is foetal deaths after 28 or more weeks of gestation and infant deaths within seven days of birth] is 13.21 per thousand births; among public patients at the same hospital, it's 19.18, among public patients given diet supplement by the dispensary, however, the incidence falls to 14.32.

Or almost equal to what it was in a hospital where you have people who are categorized as non-poor.

What have you done? Nothing. Good old Ontario.

And if it applies to food, it also applies to medicine. Because as my friend said yesterday, it's one thing to have prescription drugs; it's another thing to be able to get there to get them. Or, it's another thing, without daycare centres, to be able to take the child somewhere to be maintained, particularly when we consider the 69.1 per cent of the families in poverty headed by women. Where do they take the child while they are off to the doctor or off to get the drugs? They don't have enough day care and we don't have enough imagination in our daycare programme to have a different variety of facilities. It is either all day care—either afternoons or all day—but what about the flexibility of it? What about care at night and in the evening? You know, we have nothing really.

If you want to brag about what you have got, I have looked up the figures: 15,000 of the people in day care were subsidized, out of 45,000. In society people think that day care is going to people with low incomes. Only 15,000 out of the 45,000 who have daycare placement, in fact, got assistance. So, when you brag about providing assistance for those who most need it, that really doesn't happen, because two-thirds can afford to pay for it. They really can't, but they are affording it. Only one-third is getting any type of governmental assistance. So medicine goes down the drain; it is still a myth.

Let's go on about jobs; my friend will enjoy this as well. In another study called "Beyond Services and Beyond Jobs: People's Need to Grow," we cited the results of the social/mental health study conducted in the mid-60s by the urban social redevelopment project in Montreal. Part of that study—the incidence of social behaviour problems among area children—was measured in relationship to family income. The index used was based on 12 types of behavioural problems; the higher the incidence of these problems, the higher the index measurement. The result showed a direct correlation between income levels and the incidence of behavioural problems.

Children from families earning less than \$2,400 annually had a higher index score than those from families from \$2,400 to \$3,600, and so on up the ladder. In other words, the lower the income, the higher the incidence of problems can be anticipated.

As I said to you yesterday, Mr. Minister, I found it strange that in 1973-1974 you had \$318 million in the estimates for income maintenance and you managed to spend only \$299 million of it. It makes me wonder if we are

really sincere. You had \$20 million that you didn't even spend at a time when people had problems.

In the emotional development support category the same problem prevails. The poorer you are, the greater the chances are that you are going to have emotional difficulties and the problems that surround it.

You can tie it all in, when you talk about all the items that I have talked about so far. You ask if you had a multi-service centre to deal with the total family—if, in fact, we might resolve some of the problems. And, you have got yourself strait-jacketed into \$300,000 for that type of service this year in a structure that, instead of being spread out across the city, will be up and down in one building. That's your answer to a multi-service centre? Nonsense.

It isn't that you bring all the bodies in one building. It has nothing to do with it.

You people don't understand. You get into the community and you take the family along and you deal with all the needs and you make sure that somebody follows through on the needs. So, you put them all in one building and that is called multi-service. They can fend for themselves once they are in that monstrosity and no one is going to be sure that all the problems will be resolved. You don't understand that because you have funded two or three of them and that is my understanding of the way they are going to be. Bring all the services available in one monstrosity of a building and that will do it.

Who is going to take the family through all its needs? Who is going to link it all together for them? You have to go back to the Senate report which tells the educational levels of those people. They aren't high; they don't have expertise and they can't fend for themselves; they wouldn't be in that dilemma if they could. By putting them all in one building—hooray!—just automatically they will get to all the appropriate places. Bullroar, it is not going to happen.

What's going to happen, Mr. Minister, if within those buildings we put in each of them an additional two or three people who really don't have to be so hide-bound by legislation? They can take Mrs. Jones and her family through all of the various agencies that might be in the building and then follow up on it and deal in human terms at the grass roots. Otherwise it ain't going to work and you are going to spend a lot of money, and I can prove it to you if you will just give me three caseworkers.

We have a volunteer agency in Sudbury with Dr. Ward, an eminent psychiatrist in

the city, on that voluntary group, with legal people, willing to donate their time. We've got sociologists, we've got people from Cambrian College and we've got people from the university who are willing to donate their time. We've got the building and it's in place. The only thing that is lacking is they've been trying to do it with volunteer workers, but you can't do that type of work with volunteer workers—taking the family through it all and hope that it is going to happen.

In fact, we want to go beyond that, Mr. Minister. We want to establish that one for New Sudbury and we want to put a satellite one in the Lockerby area; not where you rent elaborate offices, but where the field worker from Community and Social Services comes in on a designated afternoon and one from the Children's Aid Societies comes in, and one from legal aid comes in, and they are all there. Those workers who are full-time would know which families were going to come in and which agencies they were going to sit down with. We'll prove to you that you don't have to rent elaborate buildings but that you have to have the people inside who are going to deal with these people at their level, and see them through.

I'm telling you, what you are planning in that study that was done by Brown is for the birds. It's not going to work, just to put them all in one building and hope.

We would like to start one in New Sudbury. It's already there. We'd like to move one into the valley eventually, because many people who are poor don't have automobiles and can't get across the distances. We'd take it into their community, whether it be a church basement or whether it be an old fire hall. We would take it into their community and we would deal with them as people, with all of the various agencies knowing what afternoon they are going to be there and who they are going to see.

As I said, so far just some of those things could have been worked into any proper multi-service centre to eliminate some of these difficulties, whether it be nutrition, so that a mother on FBA is getting the proper nutrition, could be worked in. We won't. We won't. We could be here 10 years from now unless, of course, this year the government changes.

To go on, Mr. Minister, I want to talk about an interesting comment in this book, talking of the health people, and it says: "What kind of ill health and to what degree? Until Canada's medical research community decides to take a far greater interest in this area we will not be able to say." You know, the Canadian Medical Association has not, I say to my friend

to my left, taken a very profound role in anything in this society of ours, except raising their rates maybe. They have been most imaginative that way.

Mr. J. Duszta (Parkdale): They are good at it.

Mr. Martel: Yes, excellent. But doing studies in the area necessary to avoid or prevent, has not been their strong point. One again might look to the Ministry of Health today in the announcement of 450 cases of silicotic or pre-silicotic miners. That Ministry of Health and all those doctors knew for 15 years that that was developing.

Mr. J. Lane (Algoma-Manitoulin): Why didn't the member do something about it for almost 15 years? He has been a member here in this House for that long; or a good portion of it.

Mr. Martel: I am glad the member representing that area has finally shown up.

Mr. Chairman: We are dealing with the estimates of Community and Social Services, I might remind the member for Sudbury East.

Mr. Martel: I must remind you that it only came to our attention about 1½ years ago. We raised hell about it. We at least went in there.

Mr. Chairman: Please deal with the estimates.

Mr. Martel: That's more than I can say for the member for Algoma-Manitoulin.

Mr. Chairman: Please deal with the estimates before us, Mr. Martel.

Mr. H. C. Parrott (Oxford): That's not what the people tell me.

Mr. Martel: No?

Mr. Parrott: No.

Mr. Martel: You're not telling me the member for Algoma-Manitoulin was in there before us?

Mr. Chairman: Deal with the estimates before us please, Mr. Martel.

Mr. Parrott: That's the way it is.

Mr. Martel: Well, I want to tell you we were there; that's more than some people were.

Mr. Parrott: We're not hurting.

Mr. Martel: Getting back to my friend, he hasn't said very much on those four points.

Maybe I'll try this one for size, Ellis—poor kids and their opportunity to be at school—

Mr. Chairman: Please refer to the member as the hon. member.

Mr. Morningstar: Mr. Chairman, I think the minister ought to put in employment a man like this man, Mr. Martel. You ought to have a man like him in your department.

An hon. member: Why?

Mr. Morningstar: To look after things.

Hon. R. Brunelle: (Minister of Community and Social Service): As a deputy aide?

Mr. Morningstar: As a deputy I would say. I think it so.

An hon. member: What about it, Elie?

Hon. Mr. Brunelle: No, thanks.

Mr. Martel: You'd have to have a government that had concern. Our government has never demonstrated that.

Mr. Chairman: Back to the estimates.

Mr. Morningstar: I'm sorry.

Mr. Martel: What about education? What happens to the poor? If your dad earns \$8,000, your chances of education to grade 4 are great. If he earns \$9,000, your chances up to grade 8 are greater. If your father earns \$10,000, your chance of getting some secondary education is there. If he earns \$18,000 you've got a chance of getting through university. Your chances are pretty good. What does that say? We hear all the talk about equality of educational opportunity in this province, and the Tories take great pride, but it's impossible. I see the parliamentary assistant to the Minister of Colleges and Universities here. The chances are far less if the old man isn't well-heeled.

Mr. Parrott: You might recognize there's a difference between chances and opportunities.

Mr. Martel: No, no. We're coming to that. I'm going to take my time. I'm going to go over this a little more slowly.

Mr. Lane: Mr. Chairman, the member doesn't have the facts. I'm a poor man. I work hard. I earned less than \$10,000, and my daughter and my son both went through university. I didn't get any help from anybody, not even a bank loan. You don't know what you're talking about.

Mr. Martel: I've worked from 12 at night until—

Mr. Morningstar: Both my sons, too, went through university. I never got them grants or loans.

Mr. Chairman: Mr. Martel is talking about the exceptions to that, I believe.

Mr. Martel: I'm not talking about the exceptions. I'm talking about one in six in Ontario.

Mr. Lane: You don't have to have an \$18,000 income to get your child through university. That's not a fact. Let's stick to the facts around here.

Mr. Martel: You're pretty testy today. It seems to me you've a type of complex.

Mr. Lane: It seems to me, when a man talks about so many people being poor, he should be ashamed to live in a \$100,000 home, too.

Mr. Chairman: Order, please.

Mr. Martel: You've just underestimated the value of my home. It's \$180,000, and I wish you wouldn't downgrade it.

Mr. Chairman: Please, Mr. Martel, this has nothing to do with your personal affairs.

Mr. Martel: Mr. Chairman, I'm speaking on the estimates. He's the one who's interjecting.

Mr. Chairman: You're talking about your personal affairs.

Mr. Martel: Well, direct your criticism there!

Mr. Lane: You were the one who directed your criticism towards me, sir.

Mr. Chairman: Back to the estimates, please.

Mr. Martel: It's going to be an interesting afternoon, I can see. I can enjoy this.

Mrs. Campbell: Mr. Chairman, could we know whether we're speaking in the present tense or the past tense in this discussion?

Mr. Martel: In 1972, Mr. Chairman. The 1972 family income data from Statistics Canada show this relationship between the level of education and the average family income. Those are the statistics.

Now, let us refer to "Does Money Matter?" a research study on 9,000 Ontario high school students and 3,000 of their parents. The study explored the relationship between between socio-economic class and educational aspirations. The authors summarized their findings in this way:

From these data we feel safe in inferring that family finance must be a factor in the limited educational horizons of lower class

youth. That is not to say that so-called non-financial or cultural factors are non-existent or do not play a part. We felt, however, that to overemphasize them is to forget that social class is the structure of inequality and deprivation, and that the absence of family resources helped to create attitudes and prospects of limited life chance so that the cultural factors become adaptations to the inequality of the society.

The data compiled by this study showed a far stronger desire to leave school early among students from low-income families than amongst those from high-income groups.

I detected this as a teacher. It didn't take long. In fact, I detected it with Indian kids. Indian kids, in a place like Hornepayne, up until the age of nine or 10, don't recognize that much difference, and neither do the white kids. They don't notice the fact that there's a hole in the seat of their pants as readily. And they don't in the inner core, this study goes on to say.

But as they get a little older, they have to have the same sort of clothes as their peers. In the inner city they have to have the same opportunities to go on school excursions. My friend from St. George has mentioned that in the past. They don't have the 50 cents or the \$1 and by the time they reach grade 9 they have really started to zero in on it. But it hits them like a thunderbolt once they get into high school because all the differences are there and kids are pretty cruel. If they are young it is not too bad but as they get older and they get among their peers it is vastly different.

They lose the desire to go to school. It's not so much whether they have ability as it is they are compared by their peers and that is where it comes in. Metro Toronto used to have a thing, I think, where they had to go to the principal or the school guidance teacher to get their tokens to take the subway home if they were on welfare. Is that not right that at one time they went to the school principal? It is so destructive of kids. They don't deserve it. You could criticize the parents if the old man was lazy—and that is the usual criticism, the old man is lazy. But the kids don't deserve it and they do become ostracized and they can't help it. They would have to be awfully naive not to recognize the difference. But that doesn't seem to matter.

There was a second study done two years after the first: "Does Money Matter More?" A sociologist took the same study group of kids and wanted to find out what had actually occurred to them in the two-year interval. Of those students in the five-year programme,

which is the normal one for university entrance, 87.7 per cent of the students of high mental ability from the upper socio-economic class had completed grade 13 in comparison to 68.3 per cent of students of similar high mental ability in the working class. Somewhere along the line 15 per cent dropped out.

What was particularly striking in these findings is there was a higher percentage of upper class children with low mental ability who completed grade 13—71 per cent—compared with the 68 per cent of working class with high level ability.

Even the ones who weren't very intelligent from the upper economic group were able to finish grade 13 as opposed to those in the lower economic group with higher ability. That says something for itself, doesn't it? I think that's a fairly significant indication.

What happens to the native kids? The same pattern is reflected in a study of natives in Edmonton which shows they were generally lower in their aspirations than non-native youth. Of the native students 75.5 per cent said grade 12 was their educational goal; only nine per cent aspired to some post-secondary education. Among non-native youth, on the other hand, only 41.6 per cent saw grade 12 as their ultimate educational goal while 50 per cent hoped to complete university.

That was the aspiration. What happens? As suggested by the Edmonton study on school aspirations:

The school performance of native children lagged substantially behind that of other Canadians. The census found that among all Canadians aged 15 and over attending school full-time, only nine per cent were in grade 8 or lower; among native students this figure was 37 per cent. Among those aged 15 to 24 who had ceased attending school, 51 per cent of native youth had left with less than a grade 8 education compared to 17 per cent of the non-natives.

We keep passing the responsibility for Indians from pillar to post in Ontario, from one cabinet minister to another. They can't even find a home; nobody wants them.

What really happens to poor kids is the result of one factor after another; no individual thing is solely responsible. There are many. Hunger is the first one and we cancelled our milk programme a couple of years ago, didn't we? We used to subsidize a milk programme did we not at one time? A number of years ago, didn't we?

Mr. Chairman: I believe that is another estimate.

Mr. Martel: In schools; yes—it was encouraged, but that's gone.

Mr. Chairman: That would be the Ministry of Education.

Mr. Martel: Yes, right. But the school boards have cut back on it because of fiscal restraints and nobody has moved in to fill the gap. Of all the reasons why I have always suggested that this ministry should cover all welfare, that's just another one. I wouldn't leave it to Metropolitan Toronto to be responsible for that sort of programme across the province. I think it's a province-wide programme. If they're underfed, hungry kids don't learn.

Here's an interesting quote from a young girl: "During the winter, I line my shoes since I have no boots but the snow keeps getting in so I had the flu all winter."

Do you remember, Mr. Minister, my asking you repeatedly over the last two or three years to give two special allotments of money—one in September to get the kids ready for school, and one a little later on for winter clothing or spring attire? This would help to put the kids in the same category—to give them the same chance.

We don't. Although we could find last week in the budget \$408 million over the next two years for machines to be replaced, for the one in six kids we couldn't find a special allocation anywhere, could we? Not a bit. I think it's reasonable to ensure that the kids have boots and that we give them a special clothing allowance just prior to the winter season.

Do you ever talk to a mother on welfare? I'm sure most of you have—a mother who doesn't have the money to buy them boots. What does she do? She takes it out of the food allowance, or you don't pay the rent and you get in trouble with the landlord. That sort of comment was from a teenage girl—just a little girl who doesn't have boots.

Mr. Chairman: Was that girl from Ontario, may I ask?

Mr. Martel: It doesn't matter, it's happening in Ontario. The statistics are the same. One in six in Ontario are considered poor—one in six.

Mr. Chairman: But you are referring to an individual case and I just asked you if this was from Ontario.

Mr. Martel: I am sure it does—I am sure it applies everywhere. I'm sure you've had people come to you with the same difficulty.

You've got the housing problem for the poor which certainly contributes to their opportunity to be educated. What do you do with

six kids or five kids if you don't have separate room where they can do their homework? What are the opportunities for them to complete their homework properly, as opposed to, let's say, if you had a house where each child had a room?

What I'm trying to drive at is the opportunity. It's destroyed right from the beginning. From the time the mother doesn't have a proper diet as a child until the time she's supposed to be an adult. All along the line, everywhere you turn, the opportunity for poor kids to succeed is being denied. It isn't just income on one level at one time, it's a whole series of factors.

They go on. They say the poor people want their kids to get an education, that they probably see education in more realistic terms than others. They realize that if their kids can get an education, they would break out of the poverty cycle. But as the report says, and I'll just quote it:

Where the parents view the abstract concept of education, that doesn't mean much to the child. For him, there is only the concrete reality of school, and school is very often the place where the poor kid feels most painfully what it means to be poor—the place where they learn that the only escape from humiliation is to get out, get a job and get some money as quickly as possible.

He doesn't finish grade 8, Mr. Minister, or he doesn't finish grade 9. Some day, as sure as I sit here, because of lower educational opportunities, because of insufficient skills, because that group of people are the first laid off and fired, he or she will end up on the welfare roll. As sure as we all sit here today that will happen. It's inevitable, except if we make a conscious decision to change it. I haven't seen it.

You know, these kids can't talk about summer vacations, or the latest fashions. They don't have 50 cents. Or, as my friend said last year, the \$3 to go to Niagara with the school tour; even though it is only three bucks.

What do you do to a 14-year-old who doesn't understand what it is all about; when the rest of the school goes and he or she stays behind? What do you do to that person? You destroy him—totally, totally, totally. Or you send him down to the school principal to get his tokens to take the subway home, or some other ridiculous thing. He doesn't have breakfast. You eliminate the milk programme, and then we figure they are cranky kids.

As a teacher I well recall some of the kids as I look back today. Because of the lack of training I got as a teacher, I couldn't accept

this. I was never told this was going on. I could never understand these troublemakers. I was branding them as the troublemaker when society was creating the trouble for them—was making them that way. It wasn't their doing at grade 6, 7 and 8, it was society.

So what happens to that kid? He's a troublemaker. He doesn't learn well. He doesn't learn well, so we screen him. We call in the school psychologist and we call in the psychiatrist and the school nurse and the doctor and the psychometrist, and everybody under the sun is called in.

Mr. Chairman: What was their conclusion? It was the teacher that was their problem.

Mr. Martel: It could have been. I am convinced that it could have been because of his lack of training in the field. He didn't know what he was talking about because he didn't even know what to look for. But the kid ends up in the principal's office and then he ends up in a streamed course, Mr. Gordon would know where he was headed for. He was headed for the two-year occupational course.

You see, we had him off the right track by about grade 6. We didn't look into the factors that created that problem. We got him out of the five-year arts and science course; he wasn't bright enough for that. We got him out of the four-year science and technology; he wasn't quite bright enough for that. We got him into the two-year occupational course where, in fact, he would end up branded a slow learner. He would drop out of there. As I said earlier, eventually he would show up back somewhere on the UIC list or on the welfare roll.

Again, our society, like the Croll commission, and like everybody else, doesn't want to get down to what it is all about, because that is going to cost the bucks to rectify. We are really not serious about that yet.

Well, I will go on to a little bit about housing, because it all ties in. As I say, this should be prescribed reading for everybody who sits in this Legislature, and has a voice in it. We wouldn't have had the comments we did a few moments ago.

Talk about the charity hamper. In Sudbury we have what we call a telethon at Christmas. The stations donate television time and we raise \$20,000 and we give each kid a Christmas present. It's a magnificent gesture on the community's part—the trouble is it is for only one day. Christmas is only one out of 365 days. I often wonder what these kids are supposed to do the other 364 days a year. The charity hamper is a symbol of a well-meaning, generous society. It is a symbol of shame to the destitute, mind you. You must accept it or be

without food—that's a real option, isn't it? All your options are open.

If a poor kid gets to camp, it's via that route too. It's charity and the kid knows it.

I remember my friend Walter Pitman, when he was here, suggesting that there should be camps operated by the province where the poor could get to. A husband and wife could take the kids and spend three weeks. All the meals would be cooked for the mothers. The family could actually spend three weeks together, just like the wealthy do. Do you know who took him on? The tourist outfitting industry. They went berserk. They went absolutely mad. It was going to cut into their business, this government operation of taking these people and putting them in a camp. What was it going to do to the private enterprise system?

They ran it in their NOTOA magazine. They ran it everywhere. They went across northern Ontario in a panic that the government might even consider this kind of a place, where a father and mother with two or three kids could go in the summer for two or three weeks and the mother didn't have to work throughout the whole of the vacation because the meals would be prepared. It would be a great opportunity to allow that family to get to know each other once again after the hustle and bustle of poverty for 49 weeks.

It sounds silly; my friend over there laughs as if it is a joke. I don't think it's a joke. The wealthy can afford to have that sort of relaxation. But for the poor to be able to have it once in a while too, once a year, would be too much. But the tourist industry took it on. As the minister knows, half of those guys spend January and February in Florida every year, and they took it on as being an appropriate programme.

I want to talk about the homes, but I am reminded of the nice meeting we are going to have with the minister next week. I am delighted that meeting is going to take place. I am really delighted the minister has moved that way, and I give him full credit for holding a three-hour meeting where we'll talk about children and the system as it exists.

Let me tell you what this report shows though. Not all poor kids live with their own families. Fifty thousand Canadians live in foster homes and overwhelmingly they are children of poverty. There are no Canadian data to tell us the exact proportion but the British child development study offers a solid indication. It reports that the probability of a poor child being placed in alternative care, in a foster home is more than 10 times as great for a poor child as for one from another economic level, and that by the age of 11 more

than 10 per cent of the disadvantaged children had been placed in alternative care, compared with less than one per cent of those from non-poor families.

In the last three years, Mr. Minister, I have asked you, I have begged you, I have pleaded with you to support the mothers of mother-led families at least to the same extent as you do the foster parents. But there have been no moves.

Let me tell you what happens, Mr. Minister: In Ottawa, for example, the deserted mother of a teen-aged child, depending on the age of the child, can receive between \$64 and \$76 per month, from the welfare department for the maintenance of that child. If she cannot sustain it on this amount and surrenders the child to the Children's Aid Society, the foster parent will receive \$142.47.

If you think our system isn't perverse, there's something sadly amiss in this government when it would pay up to \$76—and that's high, because if we took a family of three, the amount per child would be progressively lower—and we would watch the family disintegrate before our very eyes. We would put them in a foster home and pay double or triple the amount to the foster parents that we would pay to the natural mother.

If that isn't a perverse policy of this government, I don't know what you call it. Maybe you are telling me that the mother of a mother-led family isn't as capable of looking after her children as is a foster parent. If that is what you are saying, I wish someone would tell me. I'm sorry, I don't happen to believe it. I think some of the foster parents in this province do a superb job. I think the natural parents is where the reinforcement must come and it must come now and the sooner the better.

I have been talking about it for two and three years. Nothing has changed. Why? Doesn't this ministry see that to keep the natural family together is more important than to watch it be destroyed? Why can't you do the very simple thing of giving to that natural parent, if it's a case of money, an amount of money equivalent to what you would give to the foster parents? Would that be too hard for this cruddy government to do? No, it goes on, year after year, and nothing changes. And you brag. That's the worst cynicism of all, bragging about how well we are doing.

The same applies to the single father, by the way. He might have a little more income, he might not, but needs some support. I am looking desperately for my blue book to tell you about the single father.

I want to talk for a moment about home-makers' services. I put a private member's bill

on the order paper which would allow the father to stay at home, if need be, to raise his children in the same way as the mother does. If the mother should die or leave, whatever the reason might be it is very difficult for the father to get homemaker assistance. It is the qualifying. He has \$6,000 or \$7,000 a year and is supposed to pay a homemaker \$200 a month or \$250 because he can't get assistance. What is the cut-off level?

Let me show you how many hours of homemakers' service there were and how far we've advanced. In 1970 there were 824,000 hours of homemakers' service. If we were to apply that to the province on a per capita basis, we would be talking about 10 minutes per person—a magnificent sum, isn't it? In 1975-1976, things have really changed. We have gone up a million hours to 1.8 million. If we broke that down, with roughly eight million people in the province—7½ million—it is 15 minutes per capita, per person, of homemakers' service. That's a magnificent achievement, isn't it, in an effort to keep families together?

It is non-existent virtually, because you are not serious about it. Before the assistance can be forthcoming, your level has to be destitution. You have to be destitute. The father with three kids can't go out and work and bring in a homemaker because he's got too much income. Even if he's got \$7,000 or \$8,000, he's got too much income; he's got to pay \$75 or \$80 a week minimum wage to get a homemaker. He simply can't afford it yet he can't get in on the programme.

What is he to do? He could drop out but your legislation says he can't drop out and raise the children. The one who did get it raised enough Cain, went to the ombudsman and an order in council was passed. That got rid of him. He was kind of a troublemaker, so you got rid of him; you gave him an order in council. You helped him. He was silenced. The Tories are experts at it; the all-embracing arm of the Tories. They come to the father and put out the fire but they didn't resolve the problem.

It's still there and when the next guy has enough guts to raise hell, you will give him another order in council and keep him quiet. You just put another patch on the old fabric. You don't change the programme, you don't make it so that people can use homemakers and keep the family together. You'd prefer to see a 15-year-old girl drop out of school and raise the rest of the kids in the family.

I've watched it in my own community. The oldest one just dropped out of the school system. She looks after the other kids—a great future for her. You're not serious.

To digress for a moment—it's part of the whole package, part of what's wrong with this ministry—the single parent, the father. Why don't you introduce the Act which would allow him to remain at home? It would be a simple amendment. I drew it up and I'm not very bright. You simply remove the two discriminatory words and make it applicable to everyone. That, of course would be too easy.

What about the prison system? There are interesting statistics about kids in Ontario prisons. I have already alluded to it. I mentioned the kid in grade 6 who starts to give you a problem. He's not well dressed, but you don't look at the background, you don't look at the home, you just look at the fact that he's trouble. He's dragged over the nets. It's just part of the toughness of him. We all see it. We take it for granted it's just the kid, but it's the system and so we very quickly have got him pegged. He's catalogued for the rest of his life. Most teachers write that down on the SRA card too. It follows him like the plague.

He gets the designation of being street-smart at a very early age. As I walked down Yonge St. the other night at 10 o'clock I watched two or three little guys polishing shoes and throwing quarters at the wall. They couldn't have been any more than nine or 10 years old. They were street-smart but they were going to survive. But, in the process they could be destroyed. Beating the system, they say, is as easy as getting onto the bus. It is interesting that the bus comes back. The street-smart gets on a bus by sneaking on it. He gets into a theatre by sneaking in.

He gets the tough kid designation early—tough to handle and resentful. He doesn't have recreation outlets. He can't afford to go to the hockey game. He can't afford to go here, there and everywhere, and you wonder why he is in trouble.

The police soon detect that, too. It's right in them. They don't do it deliberately. I don't think they set about it in a preconceived attitude. They build up to that attitude because they're exposed to these kids, but, I suspect as with teachers, they don't look at the background and what has been created. We don't teach that. During my years in teachers' college, they didn't teach me anything about that.

Since police activity is more heavily concentrated in the inner city than suburban neighbourhoods, and, since a simple warning to a child and/or parent is more likely in a nice neighbourhood than a tough one, the data tells us only what happens to poor kids compared to the non-poor, not to the extent to which it was warranted. In addition to the disproportionate likelihood of police contact

in various areas of the city, there are no exercises of police discretion after contact or further exercises of judicial discretion, once a child reaches the court. In general, courts prefer to place juveniles on probation rather than commit them to correctional institutions.

In Ontario in 1973, for example, less than 25 per cent of the juvenile offenders were sent to institutions. A total of 1,367, compared to 4,165, who were granted probation. The important question is which 1,367? It was not necessarily those who were found to have committed a statutory offence as opposed to simply being found to have committed a delinquency, which can be as insignificant as truancy from school. Almost half of them, 619, were placed under section 8 of the Training School Act, which authorizes such placement where no statutory offence has been committed.

What then was the basis on which the court exercised the discretion? If it wasn't what they have done, was it who they were? This appalling possibility may very well have been the case because a study of training schools in Ontario has found that an incredible 92 per cent of those committed to these institutions were from low-income or working class families.

My friend tells me that the poor have as much opportunity. He hasn't even uttered one grunt of late. No matter where you go, whether it starts with food, whether it starts with education, whether it starts with health, whether it starts with correctional services, right down the line, the poor have it. How can anyone stand around and tell me, "You have just got to have gumption and desire and drive and you'll make it"? Sure, the odd one does, but for everyone who does, I don't know the number that don't make it. I haven't got a clue as to those who don't make it.

It is interesting that it is a case of money. Was it \$3 billion more that was estimated for a guaranteed annual income?

Miss D. Crittenden (Deputy Minister): Additional.

Mr. Martel: About \$3 billion additional would have provided a guaranteed annual income. Do you know that we gave tax concessions federally and provincially in the last two years to people who didn't need it that have come to more than \$3 billion? This report doesn't even deal with the Treasurer's (Mr. McKeough) giveaway. It deals entirely with the federal government giveaway in the last budget.

The Minister of Finance redistributed in

Canada \$1.75 billion for the 1975-1976 fiscal year for reduction in personal income tax alone. He redistributed another \$885 million of the 1975-76 national income by changes in sales tax and tariff provisions, more than half of this—\$450 million—through reduction of the sales tax on building materials.

All of the \$2.6 billion the government has chosen not to collect represents a redistribution in the national income. But in what direction? The personal income tax cuts range from \$200 for those in the lowest income bracket to \$750 for those in the high bracket. In other words, if you were too poor to pay taxes you got nothing, if you were a low-income taxpayer, you got \$200, but if you were rich enough you got \$750 back. You needed it like a hole in the head. The rich got most, presumably because they needed it least. That is the sense of values that we have. The deduction of \$1,000 of interest in dividend income, of course, will be welcomed by all those with significant income from bank deposits and stockholdings. I collect my dividends every day. I know what they are going to be, the same day in and out—zero, I don't have any. It doesn't bother me in the least that I don't have any; I don't have to worry about calculating my income tax then.

Who derived the benefits from the last federal budget? Very few people, the wealthy. Then the Treasurer in his generosity this year gave a further reduction so that you could pass your gifts on to your kids. All you Tories went for it with "Great stuff." Your kids needed a better than average chance to succeed, didn't they? You want to pass on gifts of \$25,000 every year before you are taxed.

Mr. Chairman: I am sure the hon. member will make these comments again in the House on the budget speech.

Mr. Martel: I sure will, and I made them when I debated the tax bill, my friend.

Mr. Chairman: I think we are talking about the estimates.

Mr. Martel: We are talking about money and how you overcome poverty for the poor that are affected primarily by this ministry. The argument is that you never have money. The minister will make that argument over, over and over again during these estimates, that he hasn't got the money. He's a nice fellow and he'd like to do it, but he never has the money.

We are so desirous of passing on gifts up to \$25,000 without paying tax on it that we can't forego a little of that largesse, because we want to pass on those gifts, presumably to our

kids. You tell me why we can't ignore that, and pay our tax on it so that you have the tax dollars to overcome the real poverty in Canada? If I'm out of line, then I might as well go home—pack my bongo drums and go.

Maybe you don't see it in the same light, Mr. Chairman, as I do—

Mr. Chairman: No, but I think you should relate your remarks to the estimates.

Mr. Martel: —saying that every tax concession that you give is to those who don't really need the tax concession to live.

Mr. Chairman: I just reminded you that you should relate your remarks to the estimates and what we are here discussing.

Mr. Martel: What do you think I've been discussing for the last hour and 15 minutes?

Mr. Chairman: History, education.

Mr. Martel: Yes, and as they relate to whom? Just answer my question.

Mr. Chairman: You have related those remarks and I have not interrupted you. But when you do not relate them, I have to ask you to relate them.

Mr. Martel: I have no problem relating them, Mr. Chairman. We'll go back to the hon. Treasurer's largesse anyway.

We have \$2.6 billion federally, most of which went back to fairly affluent people, or people who really didn't need the tax cut. We go into the Ontario budget, and we can talk about the gifts from succession duty. We can talk about the \$400 million to the equipment for next year, and this year. We can even talk about the two per cent, which if we hadn't got it, most Ontarians wouldn't have felt, because you have to spend between \$5,000 and \$6,000 to have \$100 savings. What you save in spending \$5,000 or \$6,000 under those circumstances is beyond me. I can't understand how you spend \$6,000 to save \$100, but you Tories have succeeded.

There's the type of money, Mr. Minister, that makes it possible to overcome poverty in our society. You don't have to give to the rich any more, they are rich enough. Some of them are so rich they don't know what to do with it. And the fairly affluent—you don't have to be rich.

You tell me, why should I be able to pass something on to my children that they did nothing for? Talk to the member for Oxford, I'm sure his kids don't help him drill teeth and put on braces. They did nothing for it. Believe in the Tory concept, good hard work—the mem-

ber said it a while ago—and keep your nose to the grindstone, you will succeed. You shouldn't have to pass anything on then, should you? Not a thing. You pay tax on it all.

But that isn't what the game is all about. The game really is all about keeping as much money as possible in the hands of those who have it. That is what the game of politics is all about. It isn't at all whether you make a determination that the wealthy have to share it.

Mrs. Campbell: I don't agree with you.

Mr. Martel: You don't agree with me? Well, that's what I happen to believe it is, Mrs. Campbell.

Mrs. Campbell: I rather resents the suggestion that we are playing games with this kind of discussion.

Mr. Martel: Oh no, it is a game to them. It is a game in that they try their utmost to retain it in the hands of the few. They even want to pass it on, not pay any tax on it. Why? My kids aren't doing anything towards what I do. I give them the best education they want, and then they are on their own. I'm probably more of a free enterpriser than you are, Mr. Parrott, in that respect. I don't intend to give them anything.

There are moneys available. The loans budget and Ontario's budget alone—what we gave away this year—would have given the \$3 billion to overcome poverty. We would not have had the one in six ratio in Ontario, Mr. Minister, if we had done something about it. We are not really interested.

If we can afford tax cuts, as we have in Ontario, with the majority of the benefits going to upper income groups, then we can afford to overcome poverty. I've never been able to understand people with money; maybe I'm obtuse. I haven't, I really haven't. When you've got so much then why do you need much more? Why does one keep adding to it, like that guy Midas?

Mr. Chairman, Mr. Martel, we have a vote. Is this a suitable place to break your remarks?

Mr. Martel: Sure, any place at all. I'm as accommodating as can be.

Mr. Chairman: We will be back when the vote is over, I presume, with Mr. Martel.

The committee recessed at 4:45 o'clock, p.m. for a vote in the House and reconvened at 5:28 o'clock, p.m.

Mr. Martel: I was just kicking Darcy in the head a little. He needs it.

Mr. Chairman: It's not on this vote though. Darcy isn't on this vote. I don't see his name mentioned here.

Mr. Martel: No, no—it's just the funding necessary to eliminate poverty. Before I am finished I am going to outline for my friend from Oxford some of the ways that we could utilize people and not a giveaway programme. I am not suggesting for a moment a giveaway programme, by the way.

Mr. Parrott: Why don't we skip the rest and come right to it now?

Mr. Martel: No, no.

Mr. Parrott: I can't wait.

Mr. Martel: There are a few little tidbits I want to throw in—

Mr. Parrott: I just can't wait.

Mr. Martel: —from the minister's leadoff remarks.

Mr. Wiseman: We wouldn't have as much to print, as Mr. Parrott said.

Mr. Martel: The minister made an opening statement in a new form yesterday. He usually says very little. If one were to measure the minister by his opening statements, that would be the success of the ministry. His statements have been brief, to say the least.

I am interested in an income security review. The first statement you made—interim changes to provide improvements in the system—of course, opens up the whole gambit from disability and unemployability through diets to the whole business. I have been amazed at how long you have been able to use that orange paper to do so little. That's been a real cornerstone. It was like the Ottawa income security programme. You used that for three years and did nothing and then boasted about getting rid of it last year when you were delighted it was gone. When you got headlines for three years on it—the programme didn't cost you a cent and you got that many headlines—it had to be a good thing. Now you have used the orange paper for the last couple of years, and you're not moving ahead. You have to decide what, in fact, goes on. Outside of the GAINS programme you haven't done much.

Have you considered separation of delivery and income security in totality? I mean having delivery of programmes totally separate from the incomes portion, making the income portion more accessible by having offices out there instead of all central here, so that people in fact, could get their income, and in fact com-

bining anything that relates to income for people, whether it be GWA, FBA, GAINS, WCB—the whole business.

I have never seen anything as ludicrous as some man or some woman on compensation, whose compensation benefits terminate, he goes to the compensation office in Sudbury and then he is sent off to the FBA office where, in turn, he's told, "Well, sorry, that's general welfare so you have got to go over to the municipal office." Or it works in reverse; somebody sends him off to the general welfare office and they tell him: "You live in an unorganized township so you have to go to family benefits," and he scurries off to family benefits.

Here we are talking about income security, divided into three, possibly four, different places. It seems to me to be absolutely ridiculous, because, in fact, the person who is hurt in the struggle for survival is the recipient. Can you imagine someone, for example, seeing the compensation officer in Elliot Lake, coming to Sudbury for general welfare, and ending up looking up for family benefits because he happens to be in an unorganized township? This happens. You separate that from the other services.

You do it for two reasons, I guess. Under the guidelines that the federal-provincial meetings are looking for is, as I understand it, a very simple way of administering some type of guaranteed income. It seems to me you start to cloud the issue when you have a service programme and an incomes programme in the same office. You start to cloud the issue. If we are talking about making a guaranteed income system as simple as possible, it seems to me you separate the two services completely, under the same ministry, but I just say separate them so that there is no dovetailing; if a person has an income problem he can deal with them all in one place and resolve it.

It makes it somewhat simpler, I would suspect, in view of what type of formula will eventually come from the federal-provincial conferences. At the same time, of course, I am still of a mind that we have to take municipal welfare away from the municipalities and bring it to the province, totally, fully. That, too, will simplify it. It will simplify it for the municipality.

Well, Margaret, you shake your head; I happen to think if we are going to have a guaranteed annual income, the less bureaucracy in the thing the better it is going to be. I don't see the general welfare office in my own municipality being any more responsive to the needs of the people in the Sudbury area than the family benefits office. In fact, it is just the reverse in the Sudbury area. The provincial

office is much superior—much, much superior—to what the municipal welfare service offered is. There is no comparison.

It doesn't matter, as I said last year in relationship to a variety of things, the argument being, of course, that you keep everything centralized. I don't think you decentralize anything if you go on parking a building in Sudbury and they are no more receptive to community needs than if you are in an office here in the Queen's Park complex. It doesn't make it any more decentralized because it happens to be in Sudbury, if you don't meet the community needs. And that can be achieved. It depends on what you attempt to do.

One might do as BC has done and have elected boards which work with the province to plan and develop policy with respect to day care or any type of care that the ministry offers. You make it responsive to community needs that way, and you get away from the inequality in the system.

The inequality exists because there is no—and I don't want to use the word uniformity, because I think we have got to get away from that. But there must be uniformity in the sense of application of what is there.

I am not saying that all the rules and regulations or the amounts being paid out should be the same in each area either. I think the report I quoted from indicates that rather significantly. I think it's one of the problems, of course. The federal-provincial conference has run into that—the cost of living isn't the same across Canada no more than it is in Ontario.

So you must have that flexibility, that diversity, built in. But you should get consistency in the type of application towards recipients—that is vital. It shouldn't be left to the whim of an individual who has, for example, never been involved in the field of social work and ends up as the administrator in the local municipality. That is chaos, and you'd be better off if you had elected a board that was primarily concerned with social planning. There are councillors in my own area who are on regional council, who are on their own second tier at the municipal level, and who do a full-time job besides earning a living for their family—and then serving on two or three committees. They maybe don't have time to devote their attention to this field. So what you have to do is start to split up the service, but bring it all under one roof.

I don't believe property tax should be used for providing welfare benefits. I think that is outdated; it outlived its usefulness 50 years ago. I don't think the people who come to Sudbury or Toronto to find employment should become the responsibility of the residents of

Sudbury or Toronto in the form of taxes. And that's what is happening. I have seen it happen in my own area. They have moved out because there was no way of getting a job eventually—we have had an outflow of 3,000 or 4,000 people in the last year and a half. But when there is a boom they come in from all over.

Do you think the taxpayers in the city of Sudbury or the regional municipality of Sudbury should be responsible for people who have come in from the rest of Canada or from the inflow of immigration? Should we be responsible ultimately for 50 per cent if its special assistance? Or 30 per cent—20 per cent municipally? I don't think we should be responsible for that. I don't think the citizens of the city of Sudbury or the city of Toronto should bear the brunt.

That's a problem that is not municipal in nature; it's the times. People are much more mobile today than they were 20, 25, 30 or 40 years ago when maybe this was functional. But it's no longer adequate because those municipalities which attract workers bear the costs as people look for places to reside. I think it's unfair to the taxpayer in that local municipality.

If you put it all together, you can see why I look at the four points: That the benefits are being made equal because of consistency of application; that the property tax is for the birds; that the administration could be simplified, in federal-provincial terms, when we come to some form of guaranteed income; and the separation of the services into total income and services themselves. Then it makes abundant good sense why we should stop this nonsense of municipal welfare. I think it should be taken out, Mr. Minister.

There are some arguments for it. I think the Hanson task force had mixed feelings about it. I hear that various municipalities want it. I'm afraid I haven't spoken to the representatives of the 930 municipalities in the province, but I don't know many municipalities that are that anxious to keep the welfare rolls as a municipal endeavour. Now, I hear that some do. I don't know which ones would want it, because it doesn't seem to me to be a municipal responsibility. I think it's a much broader problem.

The minister also spoke in his opening statement about a variety of programmes; the provision of cash supplements for the working poor. This, again, is another reason why I think it should be out of the municipal hands. Metro Toronto had funding last year, I'm told, for a cash supplement for the working poor and they didn't advise one social agency that they had it. Not one. And the administrator,

a Metro fellow, recently made a statement. He said: "The poor were too proud to apply for those extra funds if they were working." It was rather difficult for them to apply, to try to augment their income, when one of the social agencies which could have provided that type of assistance, or provided them with the extra funding, weren't even advised that Metro Toronto had the money in its budget. And then you come up with kind of a lame duck excuse: "Well, the poor were too proud to ask for it." Boy, that's stretching it. That is really stretching it.

I'd like this question answered—I hope somebody's been making a list of these, Mr. Chairman. What provisions have the province deemed necessary be laid down; or what are the criteria that the province demands of municipalities that have entered into any type of agreement with you, that they will pass on that funding or advise the community or the various agencies that that funding is available? There's no sense having \$20 million if you're not going to spend it; it doesn't help anyone. But I'm told Metro Toronto just ignored it.

I'd like to know what the ministry demands of a place like Metro Toronto in criteria or standards that you want met in order for a municipality to get involved in a programme of this nature. It seems to be a waste of time.

I want to move to the social services. I've already made the point that I think services should be separate from income. And I was going to comment today, Mr. Chairman, on my young friend, Mr. Daze.

The minister phoned me this morning, and I think he read my mind and we finally got it worked out—for which I'm grateful. It brings up the point, though, that surely we have to get more flexibility in rehab in providing that type of service. I understand there are two or three other young men in a similar situation to Mr. Daze who is blind.

Mr. Daze is a young man who took a course. He is an absolutely superb young fellow with a family. All he wanted was \$3,000 or \$4,000. He has a contract with the Sudbury Board of Education to tune pianos and repair pianos.

Being blind, he needed a shop to work in, and he has an opportunity to buy a trailer that someone had lost. All he needed was \$4,000; and he couldn't borrow from the bank because he was blind. The CNIB wasn't the most helpful, because it stretched out the request for six months. And the minister's problem was he couldn't get the money to him, because the Act covering supplements doesn't allow them to be given to individuals, only to organizations, I guess, for capital workshops.

Here we had a man with \$4,000 who will probably become, I am convinced, totally self-sufficient. He is self-sufficient but he didn't have a place to take the things back to work on.

I think we have to have that flexibility in rehabilitation. I don't think we can ever achieve the goals of flexibility in retraining people if we are strait-jacketed so much we can't make that type of concession. It always bothers me that we can give away millions to major corporations, but we are in jeopardy for a man who would become self-sufficient at 25. He was so frustrated; but when I phoned today he was absolutely delighted. We have been negotiating this \$3,000 or \$4,000 for six months and he kept borrowing money to try to prevent it from being lost. It seems to me we have to have that flexibility built right into the system because he will be self-sufficient. If he had quit, he would automatically go on the GAINS programme because he has a family. We are talking about \$400 or \$450 a month. Ten months of that is more than we are trying to get him in order to establish himself tuning pianos and repairing them for the Sudbury Board of Education.

It is too much frustration. We can't succeed if we are going to strait-jacket ourselves. We can't deal with individuals. I think we have to loosen up the regulations in the ministry if we are going to provide services to individuals, because we are talking about individuals when we talk in this field. We are not talking about everyone you can put in one category and say they are all going to fit. Yet that is what we are really trying to do. That is just one of the types of services I wanted to mention.

Mental retardation. I am going to wait to speak to that because I still have a hang-up about your Sudbury programme, particularly since you moved in the last 38 kids or young people. You now have 100 on one floor. As I said, you can take them out of one institution in Smiths Falls and bring them to Sudbury and put 100 of them in a fine structure, but all in one hall, mind you, milling around. You will force them to get some programmes but nothing is different—they are still in an institution. I'll save that.

I want to say there is quite a bit more than the ministry has revealed to date on what it intends to do with the programme. I am not convinced yet, as some are, that we will ever put mentally retarded children in a normal classroom situation. Some people tell me that is possible. I have only seen one mentally retarded child in a regular classroom situation and it was total chaos. I was practise teaching in North Bay and I went to watch a Sister St. Edmund who had a little girl who was mentally

retarded in a grade 3 classroom situation. She had the patience of a saint, so help me. This little girl got up all of a sudden—everything was going well—she ran up to the front, took a piece of chalk and went right across the front of the blackboard, “Whee . . .” you know? This good sister, she was kind and quietened her down but a little while later the same thing would happen again.

I don’t know if you are talking about three, four or five kiddies in a school or if we really mean putting three or four kiddies in a regular classroom situation. I don’t think anyone wants to answer that yet. Maybe that is still buried somewhere in the Williston report or in someone’s mind. I am not sure; maybe someone can convince me before the estimates are over that it is possible to work that in. I stand to be convinced by it.

The only experience I have had was chaotic but not for a moment am I suggesting another institution. As the minister knows I have been pleading with them to use Burwash. It is an old, rundown institution. It belongs to the province. It has 92 homes in it, though, sitting vacant, 20 miles from the city of Sudbury. You have 135 mentally retarded still in Smiths Falls who could fit in nicely, about two per home. Then you integrate them into the community. I am not sure about the classroom situation yet and maybe someone could help me with it.

Another thing about that, though, is that you have announced four different types of residences and yet you haven’t really indicated when or where it will go into effect. Is that all being saved—pardon me for saying it—for election purposes?

Mrs. Campbell: Until after Dec. 31.

Mr. Martel: Is it after Dec. 31st? I just thought they might announce some of them during the height of the campaign. It reminds me of 1971 and all of the daycare centres we were going to build. Do you remember?

Hon. Mr. Brunelle: They were built.

Mr. Martel: Sure. It took until 1974 to get all the money spent. I don’t think you have even spent last year’s money yet, have you? You have committed it and it shows up again as \$11 million. That is the \$11 million you didn’t spend last year.

Miss Crittenden: We didn’t have \$11 million in the estimates last year.

Mr. Martel: You got \$15 million from the Provincial Secretary for Social Development (Mrs. Birch). Remember that great announce-

ment in June? You finally had great press over that, but you also got a lot of flak. Now there is \$11½ million. That’s just the residue from the \$15 million, isn’t it? Yes, that is the residue. There’s no new money. There isn’t a cent of new money for capital. That’s a fact, **isn’t it, Mr. Minister?**

Hon. Mr. Brunelle: No.

Mr. Martel: It’s not a fact? There is some new money? I don’t believe you. I am sorry, but I don’t believe you. It is the same as rehabilitation. I am told that you have cut back your rehabilitation budget. You talked about rehabilitation, and I am told you overspent by a million last year or a million and a half and you have really cut back this year.

You talk about rehabilitation and day care so cavalierly; and you use the same money over and over, just like the Minister of Housing (Mr. Irvine). How many times now has he used that money, Dick? He didn’t spend it three years running, did he?

Mr. R. S. Smith (Nipissing): For three years running. That’s right.

Mr. Martel: It totals up each year, though.

Mr. Chairman: May I ask the member for Sudbury East, when he refers to the hon. member, to give the member’s riding name rather than the first name?

Mr. Martel: Would the member for Nipissing—

Mr. Chairman: Now you’re right on.

Mr. Martel: —be so kind as to indicate to me how many years running that money showed up?

Mr. Chairman: I’d like to point out to the member—

Mr. Martel: For Sudbury East.

Mr. Chairman: —that he is still making his opening statement.

Mr. Martel: Mr. Minister, maybe you can tell me where these homes are going to go and how many we can anticipate in the next couple of months. I hope some of them will be tried in places other than London. Where else would you rather place them, mind you?

Finally, Mr. Minister, I just want to briefly talk about the disabled and the unemployable. When the bill came through about a year ago, both the member for Nipissing and I were rather critical of what the minister was doing. He wanted to play around with those who were unemployable and those who were disabled. I

still don't know the difference. Could you give me a definition, Mr. Minister?

Hon. Mr. Brunelle: Mr. Chairman, this is a subject that we will—

Mr. Chairman: No doubt we will develop this later.

Hon. Mr. Brunelle: Yes, there will be a lot of discussion on this.

Mr. Martel: Well, I just wanted to warm up to it, to get the flavour of it.

Mr. R. S. Smith: We want action, no discussion. We have discussed the matter enough.

Mr. Martel: I have a number of cases, but I want to mention one to show you—are the people who make those decisions medical people?

Mrs. Campbell: I have a list of them here. I asked for it. Whether they are doctors of medicine is another thing.

Mr. Martel: Well, you are right—

Mr. Chairman: Please, Mrs. Campbell, don't assist the member for Sudbury East.

Mrs. Campbell: I am not assisting him. I am—

Mr. Martel: I need it; I need some help at this stage of the game because I am looking for something. You just stall them, Maggie, until I find it.

Mrs. Campbell: Tell us whether they lost the records in this case too. They did in every one of them.

Mr. Martel: Okay, I have it. Let me just tell you about it. This is the same case, Mr. Minister, but two different doctors from the city of Sudbury have written about a Mrs. S. One, a Dr. de la Riva, says:

Dear Mr. Martel:

There seems to be some confusion regarding Mrs. M. S.'s application for disability pension. In order to clarify this matter, the

above mentioned is physically incapable of doing any work which would mean that she is totally disabled. I hope this will enlighten this whole situation.

And then on the same woman from another doctor:

Once again, I apologize for being so late with my reply to your letter.

I have seen Mrs. S. in my office several times since your letter and there is no doubt that she is disabled, i.e., incapable of doing any physical work. As you know, Mrs. S. was injured in a car accident quite severely in 1962, and was treated by Dr. McCluskey, an orthopaedic surgeon. Since that time she has been seen on numerous occasions by Dr. de la Riva [the doctor I quoted from] who considers her completely disabled under the terms of the Act.

A neck fusion in 1962 was done as a result of the car accident. She has been having extensive problems with her whole spine since the time of the accident. She receives physiotherapy at her home, on a tri-weekly basis, and requires extensive analgesics and anti-inflammatory drugs for pain.

Mrs. S. then is totally disabled, but I too must admit that I am confused by the differentiation between "disabled" and "permanently unemployable" and I would hope that we may see some clarification of this distinction in the future.

[Signed] Dr. D. A. Prince,
Sudbury

There is another one by Dr. de la Riva. The same case; they consider she is not disabled.

Mr. Chairman: Is this a suitable place to interrupt your remarks?

Mr. Martel: It is a suitable place. I will continue for two minutes on this after the dinner break.

Mr. Chairman: It being 6 o'clock, we will now rise and resume at 8.

It being 6 o'clock, p.m., the committee took recess.

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ESTIMATES, MINISTRY OF COMMUNITY AND SOCIAL SERVICES

Standing Social Development Committee

Chairman: Mr. R. G. Hodgson

OFFICIAL REPORT — DAILY EDITION

Fifth Session of the Twenty-Ninth Legislature

Tuesday, May 6, 1975

Evening Session

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

THE QUEEN'S PRINTER
PARLIAMENT BUILDINGS, TORONTO
1975

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LEGISLATIVE ASSEMBLY OF ONTARIO

TUESDAY, MAY 6, 1975

The committee resumed at 8:04 o'clock, p.m.

ESTIMATES, MINISTRY OF COMMUNITY AND SOCIAL SERVICES (concluded)

Mr. Chairman: We would like to start with the member for Sudbury East.

Mr. E. W. Martel (Sudbury East): I just serve notice on you, Mr. Minister, that when we get to that section, I guess you want to discuss it under income maintenance—the disabled and the unemployable—I want to warn you in advance that all hell is going to break loose because it is absolutely ridiculous what is going on in this province.

I have quoted from one patient, and two doctors. I can quote from specialists—and I intend to—who have indicated people were disabled but your staff has seen fit to say no. The most intriguing one was when a specialist, the best neurosurgeon in the north, a Dr. Sutherland, recommended that someone was unemployable even and it was turned down. Dr. Sutherland thinks that unemployable or disabled means being confined to a wheelchair so he gave you the benefit of the doubt and was amazed to learn that even that wasn't accepted. He doesn't know what is going on.

There is no clear-cut definition even for the doctors as to what disabled means. In Dr. Sutherland's mind, disabled means someone confined to a wheelchair.

Mrs. M. Campbell (St. George): I would think so, too.

Mr. Martel: I explained to him that isn't the case but he thought it was. He felt there was no way the people he'd seen can support themselves. They are disabled to that extent. But you're playing around with the Act and the way you've got it set up. I asked you about whatever the form is—form 6; the crazy yellow form—which you people deliberately set up so the people won't be classified as disabled. You put unemployable in No. 3.

When the doctor, who fills out all kinds of insurance forms every day, goes down the list, he doesn't check 1 and he doesn't check 2. Here is someone like the people in the two let-

ters I read today. They can't work and support themselves. They are unemployable but they are also disabled. You have disabled down below in No. 4. You no longer have a box for No. 4 where a doctor can put a checkmark.

Mr. E. J. Bounsall (Windsor West): "Check the box", you say, but there is no box to check.

Mr. Martel: There isn't even a box to tick.

Mr. R. Haggerty (Welland South): Pretty cagey.

Mr. Martel: It's deliberate, I am convinced. You have set it up so the doctor doesn't even have a place to check off the disabled because the fourth box is now missing. Now, that is sick. I warn you now, we intend to go after this one four square. That designation has got to be thrown out in totality. What the hell is unemployable?

Mrs. Campbell: Precisely!

Mr. Martel: Unemployable means it's somebody who can't earn a living for himself.

Mrs. Campbell: Or herself.

Mr. Martel: Or herself. If that doesn't make someone disabled, I don't know what you would call it.

I have cases where they are on Canada Pension but not eligible for GAINS. It is intriguing. Oh, you beggars are clever. You can always tell them they receive \$170, even if classified as unemployable. I have two cases on file that are both classified as unemployable. They get Canada Pension. You pay one of them \$8 because he is getting \$124 from Canada Pension. What you in fact are giving them is a room and board allowance.

The second case gets \$130 from Canada Pension. He is classified as disabled and he lives with his mother. He gets nothing on a Canada Pension Plan. He gets \$130 from the Workmen's Compensation Board. From you people, he gets nothing. He is not disabled. He doesn't even get the FBA allowance. He is getting a room and board allowance, obviously, because he lives with his mother.

Mrs. Campbell: He is in the same position as most women.

Mr. Martel: That is right.

Mrs. Campbell: Precisely.

Mr. Martel: There is something perverse. There just is, because, Mr. Minister, I watched you squirm a year ago when you tried to tell me the difference between unemployable and disabled. You bombed. I watched you two years ago, and I watched you three years ago when I first asked the question, "What is the difference between unemployable and disabled?" You can't tell me. There is none.

It could be psychiatric. My friend from Nipissing (Mr. R. S. Smith) feels that is part of the reason why you won't explain it. I don't know. You are going to get it on that issue come this estimate, the likes of which you haven't for quite some time, I tell you now, just as you did about a year, or a year and a half ago, on the adoption of foreign children. It can't go on. It is absolutely, totally inhumane. It is intriguing that even the Globe and Mail has taken you on two or three times now. The Globe is your aily, really—I am not sure you have too many left these days mind you, but that is a fairly reliable one, and they have hammered you pretty well on that one as well.

Mr. D. J. Wiseman (Lanark): Time will tell.

Mr. Martel: You are right. Would you like to call the election now?

Mr. Wiseman: It wouldn't hurt me a bit.

Mr. Martel: No, maybe not now.

Interjection by an hon. member.

Mr. Martel: Great, I am all for it.

Mr. R. S. Smith (Nipissing): If it hurts you, you are all dead.

Mr. Wiseman: You may not be back, Elie, so finish your speech.

Mr. Martel: If I am not back, there aren't going to be very many of you around either.

Interjection by an hon. member.

Mr. Chairman: Order, please.

Mr. Wiseman: This will be your last one, Elie.

Mr. Chairman: Order, please.

The member for Sudbury East is making a speech.

Mr. Martel: Aren't you coming back, Jim?

Mr. Wiseman: You will never know.

Mr. Chairman: Back to the estimates please, Mr. Martel.

Mr. Martel: I hope to be back.

Mr. Chairman: Come on, back to the estimates.

Mr. Martel: I hope to be back. In fact I am counting on it. My family doesn't want me back, but I am coming back.

A final point for my friend from Oxford (Mr. Parrott). He is not here, and he wanted to hear the comments. Somebody stole them. I think John Anderson stole my comments.

Mrs. Campbell: Undoubtedly.

Mr. Martel: No, here they are. They are very brief comments with respect to job creation because, for my friend from Oxford, I've never been one to suggest for a moment that we simply hand out money. I don't believe you simply run around handing out money. It's only in a free enterprise system you do that sort of thing. You run around and hand out money to your friends in great big gobs; you call it grants, forgivable loans, subsidy, you name it; you call it what you want. I think the bill in Canada last year was three-quarters of a billion dollars for that kind of handout. I'm not suggesting that.

I think there is an economic crunch coming in three areas. It's coming with people who have marginal skills and, of course, they are the first to go in any period of economic unrest. We have certainly had that with us for the last couple of years and I don't suspect it's about ready to go away yet so the conditions are going to get worse for that group.

The second group is the youth, the women and the immigrants if I can put them all in one group. For example, we're talking about women who have children and who are now trying to get back into the work force with some difficulty because they have been out for a while; the youth because no one has given them an opportunity to make a niche for themselves and their UIC benefits aren't going to be that lasting; and the new arrivals, the immigrants—once those UIC benefits run out they're going to end up on GWA.

You've got women who are on FBA who are trying desperately to get off FBA. Most of the women I've met who are on it, don't want to stay on it; they would like to get into the work force. That's the second group we're going to have difficulty with. They're either in or about to get into some type of plan that's going to cost the taxpayer money.

It always costs the taxpayer money. That's the irony of our system when you've got high

unemployment; it costs the taxpayer either welfare benefits or other types of benefits like unemployment insurance, which the public pays for. We never seem to get in on that end where we share the largesse. We just never seem to be there. When we have high employment, the companies make the major buck and we simply don't pay out as much in those times—and they've been pretty scarce in the last couple of years.

The third group, of course, is the prime age group, over 25, married. We're now starting to see some industrial unrest and if things don't change, if there is not an upward turn, they're going to be more forceful. What are we doing?

I don't think this government had a winter works programme. They could have used it because the statistics in the latter part of the winter months indicated we had moved to over five per cent. Obviously, the economic planners of the province didn't foresee that and obviously this ministry didn't because it never has an input on what economic planning will go on to guarantee that there are jobs.

You can never get rid of the nagging problem of these categories of people unless you're involved in the economic planning. You can pay for them, Mr. Minister; you can help to support them but you're never in a position to assist them other than in a monetary sense and it's never enough. It seems to me the government has to change its direction.

I understand that noted magazines such as the *New Yorker* or something are now talking about plans such as people becoming involved in public or community programmes. There's never been much value, to me, in simply sending someone a cheque. I don't think there is any value in that at all. In fact, it's totally destructive if the person is simply getting a little bit of money which is insufficient to live on. The fact that he draws it from the public purse without any responsibility for it is a destructive process.

I'm not one who happens to be a Puritan type who works for the sake of work. If we could, we should be deliberately creating meaningful programmes in the public sector. B.C. does it. It has 3,000 part-time jobs right now on the go. Even the U.S. is now starting to talk about community employment. The U.S. isn't noted for its socialist leanings, by any stretch of the imagination, or its compassion for people, when you realize they've got nine million unemployed or something like that—the highest since 1942.

But they're starting to move in that direction—they're going to try to put people in the public sector because you can get higher return. The person feels he's doing something for his

money, and you get something for the money you're investing. Ontario takes \$408 million and gives it away—and can't prove there's going to be a job created.

In fact, in the last programme, when the Treasurer (Mr. McKeough) was on his fling about reprivatization and all the nonsense that goes with it, you gave money away like it was going out of style, yet you couldn't prove there was a job created. We asked over and over again, "How many jobs did you create?" And Darcy would try to bluff his way through it as he's trying to do now—"We don't know, but we know it does. But we can't tell you how many".

If you were to invest some money in that sector you would be able to tell how many jobs you're going to create. If you set aside \$300 million you would be able to indicate, working through the communities, how many jobs you would create. They could either be part-time or full-time, and if they were part-time you could have it go to some of your recipients who are on GWA. This would bring them into an economic level that would take them out of the poverty stream. And you could calculate the number of jobs.

That's why I said earlier when a municipal government designates money for work programmes, you can't put all the money in the kitty and not advertise it—and then ultimately come out and say, "Nobody applied for the money." Nobody applied in Metro Toronto because Metro didn't advertise that they had money in the kitty.

With that type of money you could help full-time people find full-time employment, and, more important I think in the long run, you could help people who are on FBA or TWA to get themselves over the poverty line. They could augment their income. Particularly in the case of women, they could prepare for the day when their children are away from home and they can get back into the labour force full time. You can't take a woman out of the labour force for 15 years, then all of a sudden, lo and behold, expect her back in. It's impossible.

What types of jobs am I talking about? It could be the construction of a public building; a supplementary programme dealing with elderly citizens; support to existing programmes already within the community such as day care; support to the Children's Aid Societies and to the Homemakers' Service. It could be to any number of jobs—and you could tell, Mr. Minister, how many jobs you would create, either part-time or full-time. It wouldn't be some mystical thing like McKeough talks about, that we're going to create some jobs because we're giving back—I happen to be convinced you're

going to reduce the number of jobs by his programme.

I'm sure the Chairman agrees with me, because in his experience in the logging industry, if you put in a piece of equipment that's better than the one you're replacing it requires less people to run it, with more production. That doesn't happen in what I'm suggesting. I'm suggesting you put your money in, and for \$20 million you know exactly how many jobs, full-time and part-time, you can create in any community you want—where there is high unemployment, or where you deliberately aim to get people where they can become self-sufficient and get off the poverty rolls.

I want to talk about that at some length later on, and maybe the minister will respond. With that, I want to tell you once again that we are going to line up against you four square on the issue of the unemployable and the disabled when we get to that. I am about to pass so that we can get on with it.

Mr. Chairman: Mr. Minister.

Hon. R. Brunelle (Minister of Community and Social Services): Mr. Chairman, both the members for Nipissing and Sudbury East referred to various matters dealing with the communiqué on the conference of last week, the controversial question of the difference between disabled and permanently unemployable, poverty, pilot projects on wage supplementation, and so forth. I think it would make for a more orderly and meaningful discussion if we could deal with these items under the individual votes—especially the one on the disabled; that's on income maintenance, which is more than half of our budget.

Mr. Haggerty: Perhaps I could give the minister time to read the Oxford dictionary and get the meaning of the two words. It would make for a better understanding, then.

Mr. Martel: Maybe he could give us a definition.

Mr. Haggerty: Yes, I think we should have a definition.

Hon. Mr. Brunelle: Well, Mr. Chairman, as I said earlier, I think this is a very important matter and I'm sure the members will express their views and I think it will make for a more meaningful and orderly discussion if it was dealt with under that vote, which is the income maintenance vote.

Mr. Haggerty: I think the minister wants to skirt around the issue again.

Mr. Martel: I simply want to ask the minister—

Mrs. Campbell: Not at this time.

Mr. Chairman: Order, please.

Mr. Martel: Mr. Chairman, could I ask him a question on a point of information?

Mr. Chairman: Wait a minute. The minister gave you full opportunity to express your opinions and so let us hear him.

Mr. Martel: I want to ask a question.

Mr. Chairman: Let's just let him finish his comments, please.

Hon. Mr. Brunelle: Mr. Chairman, I am prepared to deal with that matter now, if it is the wish of the members of the committee.

Mr. R. S. Smith: Which matter are you prepared to deal with?

Hon. Mr. Brunelle: To deal with the question of the disabled and permanently unemployable persons.

Mr. Haggerty: I don't care where you do it, as long as you do it.

Hon. Mr. Brunelle: Provided, of course, that it not be brought up again. If we can deal with it now, I am quite prepared to.

Mr. Martel: That's the question I wanted to ask. Do you want to discuss policy decisions under main office? I'd like to get that clarified now. That's one of the things that is missing. I couldn't find where you wanted to discuss things such as policy and research, because I can't find it.

Mr. R. S. Smith: You can't find research.

Miss D. Crittenden (Deputy Minister): Research is in the last vote—vote 5.

Mr. R. S. Smith: I have asked for a list of all the research projects. If we are going to deal with this one problem first then perhaps the minister could answer a few preliminary questions, if he would.

Mr. Martel: I think we should assure the minister we won't come back to it later on.

Mr. R. S. Smith: That's fine, we'll get it over with here and we won't do it later.

Mr. Martel: Yes.

Mr. Haggerty: You can always refer back if it is in Hansard.

Hon. Mr. Brunelle: Pardon?

Mr. Haggerty: You can always refer back to it. It is in Hansard if anybody wants the information.

Hon. Mr. Brunelle: Yes.

Mr. R. S. Smith: What I would like to know first of all is how many people are still on the list as PUEs?

Mr. Chairman: Mr. Smith, before you ask a question, may I refer to the fact that Mrs. Campbell asked for the floor first?

Mrs. Campbell: Mr. Chairman, I just assumed that we were proceeding in the normal way. As I understood it we had the two opening speakers. We would then go to the minister for a reply and get into the votes. I am easy. I just want to know what the procedure is because I certainly want to discuss this matter, as the minister very well knows. I would like that opportunity at some time, so if you are going to deal with it now then I am not going to argue the point. I won't deal with it in the proper vote if I am allowed to address myself to the question now.

Mr. Chairman: Yes, that is vote 2602.

Mr. R. S. Smith: I think everybody should be allowed to say what they want to say about the vote now.

Mr. Martel: All I am saying is that we assure the minister and his staff we are not going to come back to it two days from now.

Mr. S. Lewis (Scarborough West): We begin it tonight.

Mr. Martel: Yes.

Mr. Chairman: Well, we can begin whichever vote the committee wishes. It would be 2602 then, I presume?

Hon. Mr. Brunelle: Yes, is this agreeable as the chairman mentioned? We start with 2602 and then we will come back to—

Mrs. Campbell: The main office?

Hon. Mr. Brunelle: Yes.

Mr. Lewis: That is where you want to discuss it?

Hon. Mr. Brunelle: Yes.

Mrs. Campbell: May I just ask a question? I have hunted through these estimates. The Board of Review is something which I understand but I don't understand where you show the payments to the Medical Advisory Board. What vote is it under, what is the amount and where do we get the information? I don't take

it that the Medical Advisory Board is one and the same as the Board of Review.

Mr. Martel: I don't think they get paid to do that; for what they do, they shouldn't.

Mrs. Campbell: Well, where do they come into these estimates as a Medical Advisory Board?

Mr. Chairman: That would be staff, under 2601?

Hon. Mr. Brunelle: Yes.

Mrs. Campbell: Well then if it is in 2601, I want to deal with that in some sequence to get to the matter of this definition and what we're going to do about it.

Hon. Mr. Brunelle: Mr. Chairman, I think it is 2602 to which Mrs. Campbell is referring. If this is agreeable, we can deal with the Board of Review under 2602, as well as the expenses of the Medical Advisory Board.

Mr. R. S. Smith: Pretty soon we are going to have everything under 2602.

Hon. Mr. Brunelle: I know the Board of Review is 2601, but the one Mrs. Campbell is referring to is the expenses of the Medical Advisory Board.

Mrs. Campbell: Where do I find them? Are they included in the Board of Review estimates? That hadn't occurred to me.

Miss Crittenden: Mrs. Campbell, they're two quite separate activities.

Mrs. Campbell: That's what I thought.

Miss Crittenden: The Medical Advisory Board is part of the administration of income maintenance under 2602.

Mr. Martel: For openers, we should reduce their salaries to \$1.

Mr. Chairman: Let's deal with 2602. That's what most of the committee wishes to do. Mrs. Campbell, do you wish to start off?

Hon. Mr. Brunelle: Mr. Chairman, may I say a few words on 2602?

Mrs. Campbell: Certainly.

Mr. Chairman: Sure.

On vote 2602:

Hon. Mr. Brunelle: The leader of the NDP asked me a question in the House about a week or so ago. He asked me the number of persons who have been transferred from Family Benefits to GAINS. A total of 5,300 out of 12,600

were transferred from permanently unemployable to the GAINS programme.

I'd like to read the definition in the Family Benefits Act concerning regulation 287 on disabled persons:

A disabled person means a person who has a major physical or mental impairment that is likely to continue for a prolonged period of time, and who, as a result thereof, is severely limited in activities pertaining to normal living as verified by objective medical findings accepted by the Medical Advisory Board.

A permanently unemployable person means a person who is unable to engage in remunerative employment for a prolonged period of time as verified by objective medical findings accepted by the Medical Advisory Board.

To be eligible for family benefits, a person has to be a person in need.

The definitions are in the regulations and the guidelines have been established in co-operation with the federal government.

We recognize there is difficulty in a definition of the word "disability". We recognize that, and we will be making changes. We have, and when I say we, I mean our officials have met with the federal officials as recently as last Friday, and we will, in co-operation with the federal government, broaden the definition of "disability". We hope to have one definition only of the words "disability" and "permanently unemployable".

At the same time, I would like to mention that all those who are termed as permanently unemployable will not necessarily be transferred to the GAINS programme because there are persons who are classed as permanently unemployable who, after a certain length of time, can be rehabilitated and get into the work force.

When the GAINS programme was introduced, it was mentioned there were two categories; those who were 65 years of age and over and who were in receipt of the guaranteed income supplement, and those who were blind, physically disabled, or mentally disabled and permanently unemployable. This is the grey area.

A person who is disabled is a person who has extra expenses. He may be in a wheelchair or he may need special clothing. He has more expenses than a person who is permanently unemployable.

As I said, we don't intend to transfer all those who are permanently unemployable. We are not happy with the way things are at present. As the members have mentioned, those persons are not examined by the Medical Ad-

visory Board. We will establish in various areas of the province a review of not only the medical reasons but also the social reasons, because it is very difficult today to just look at a person; sometimes there are social reasons why that person also should be considered. We have established the Social Assistance Review Board, formerly called the Review Board. It still will not affect them but we hope that there will be fewer appeals. The reason we have an increase in appeals is due to this—about five to 10 per cent of the cases are sort of borderline cases and are causing much trouble. So we hope to be able to broaden the definition and we will also be revising and improving the form for the Medical Advisory Board.

Generally speaking, those are the proposed changes we will be implementing. I am sure the members have questions, and I have members of my staff here who have been dealing with the federal government on this.

I would also like to mention that we do try to recover shared costs under the Canada Assistance Plan. In the GAINS programme, for instance, the disabled can receive up to \$170 under FBA. The federal government has allowed us an additional \$50—up to \$220—to be shared for what they consider a disabled person. Now that is the total—\$50 additional.

In some areas where there is very little shelter, the total amount sharable may be only \$163. Maybe I am not explaining this correctly.

Mr. R. S. Smith: No, I can't follow that. I'm sorry.

Hon. Mr. Brunelle: The total amount under FBA now is \$150; under the GAINS programme we can get an additional \$50—up to \$220—shared by the federal government.

Mr. R. S. Smith: That's \$70.

Mr. Lewis: He meant \$170.

Hon. Mr. Brunelle: Yes, \$170.

Mr. R. S. Smith: Oh, \$170.

Hon. Mr. Brunelle: Yes, \$170—and they will allow \$50 more, up to \$220. The GAINS benefit as of May 1 is \$240, so the last \$20 is 100 per cent provincial, because the federal government will share up to \$220. However, if we were to transfer the total number of those who are permanently unemployable to the GAINS programme they would not share on all of those cases. They are prepared, in co-operation with ourselves, to broaden the definition to allow more to be transferred.

Mr. Martel: What's the difficulty you have now?

Mr. Chairman: Mrs. Campbell.

Mrs. Campbell: Mr. Chairman—

Mr. R. S. Smith: I want to ask a specific question—

Mr. Chairman: The floor is Mrs. Campbell's.

Mrs. Campbell: Mr. Chairman, first of all I want to say I now have the names of the members on the board. Thank you very much. I want to know what it costs us to have them. I want to know what their actual function is. Those are two questions.

When you read the definition, I was rather amazed because I think the minister will recall that prior to the GAINS programme I brought to his attention the case of a man in my constituency who was blind, who had lost one leg—that I could see for myself; he also advised me that a part of his other foot had been amputated but since he had his shoe on, I couldn't verify that.

He had been turned down by the Medical Advisory Board as not being permanently disabled, as you know, Mr. Minister, because you looked into it and got it clarified. He had been cut off any welfare assistance because they had deemed that he was overpaid. We had to straighten that situation out. I am grateful to the minister that when I gave this case to him, he looked into it; but I want to know about this board. I want to know what they do.

The minister knows about a very recent case where again, like the one written up in the Globe and Mail, a doctor had sent in reports and they couldn't be located. The person had been turned down. The first report—and I didn't bring it here—but if my memory serves me the man had angina. He had uncontrolled epilepsy and he had varicose ulcers. The first report did say unemployable. Then they wrote a second report in which the doctor said he was disabled and that his condition had deteriorated since the first report. He was still turned down by the Medical Advisory Board.

I think both of those cases—and I'm not a doctor—would certainly fit into the definition. They are neither of them borderline cases. The minister again has been kind enough to indicate to me that in that case too the man will be placed on the disability list.

But I am offended by the fact that the records keep getting lost. I don't know who loses them. I get offended by the fact that doctors in Toronto are saying that they are sick and tired of filling out these forms, which seem to be filed in somebody's wastepaper basket, and that they have other and better things to do than to keep on putting these reports into the ministry when

they are not going anywhere. They don't understand you.

I can be wrong about some of these things because I am not a medical person. But the doctors don't understand it, which makes me very puzzled. Mr. Chairman, I don't know whether I should indicate it, but I think it is perhaps proper I should say so. My understanding is that there is to be a strengthening of that Medical Advisory Board. I would like really to have further details because I am not clear from what the minister has said about the Board of Review as to whether somehow or other it is going to be an adjunct around the province or what the situation is, but I want to know it.

As far as I am concerned, I have also discussed the matter with the hon. Mr. Lalonde. I don't know what his constituency is.

Mr. Chairman: That's fine.

Mrs. Campbell: He advised me that, as far as they are concerned, if you pass somebody as a disability case they don't question your disposition of the matter. I suppose if, in fact, you holus-bolus turned over a whole bunch of people to them they might just question what had been happening with your Medical Advisory Board in this province. That could be something they would look into.

Like the members of the NDP, as far as I am concerned, this is something that has to be straightened out, and it can't come too soon. We can't take it any longer. I don't know if you know how many cases I have personally taken up with you, Mr. Minister, but you know that there are a number of them. None of them to my recollection has been reported back as borderline. They have been placed on disability. That indicates to me that it isn't the Act or the definition so much as the fact that there is a complete misunderstanding by the Medical Advisory Board or by somebody as to what has happened.

In the last case, I really am confused because I don't know on what basis the Medical Advisory Board came to its decision, in view of the fact that the minister did have to ask me if I would reproduce the medical reports because nobody could find them. Are they making decisions out of the air or do they lose these reports or where do they go? Certainly to me it's a matter of semantics to say that a person is permanently disabled or to say that he is permanently unemployable by reason of a disability. It doesn't make any sense to me at all. I would certainly want to know more about the operations and function of this board.

In view of the fact this is a major point we are making on this particular item, I will not

now take any longer of your time but I hope to address myself on other aspects of this vote, if I may be permitted to do so later.

Mr. Chairman: Mr. Minister, do you want to answer the questions of Mrs. Campbell?

Mrs. Campbell: Yes, I want to know what they do and what they get paid to do what they do.

Mr. J. G. Anderson (Assistant Deputy Minister, Programme Delivery): Mr. Chairman, Mr. Minister, I don't have an individual breakdown or a breakdown of the salaries of that group at this particular time. We will have to provide that information.

Mrs. Campbell: These are the estimates, Mr. Chairman, and I think it's quite proper that they should be set out here for us to see when we are questioning the competency of that particular board.

Miss Crittenden: Mr. Chairman, the Medical Advisory Board is made up of four doctors. Unfortunately, it is very difficult to recruit doctors who work a full year. At the present time, the people on the board have not been there for 12 months. The actual salaries are in the neighbourhood of \$25,000 each but they are not always full-time.

Mr. Haggerty: Pretty good money for part-time, isn't it?

Miss Crittenden: They are paid as physicians. The point is we are asked to give the exact amount paid last year and this year. Tomorrow, we can give you the exact salaries to the dollar of the people who are employed, if you would like, but they have not worked a full year.

Mrs. Campbell: What staff do they have?

Miss Crittenden: A secretary and a clerk besides the doctors.

Mrs. Campbell: They get \$25,000 a year and what is the total for the whole staff operation? I accept the fact that they are part-time people and maybe that's why we are getting a part-time kind of dealing with people who urgently need help. What do the others get? What is the rest of the staff complement?

Miss Crittenden: They are not all on permanent complement. As to the exact salary of each individual, we can give it to you tomorrow.

Mrs. Campbell: I am sorry —

Miss Crittenden: The exact salary.

Mrs. Campbell: Is the staff seconded to that committee a part-time staff?

Miss Crittenden: No, the clerk and the secretary are permanent.

Mrs. Campbell: Could we know what their salaries are?

Miss Crittenden: I think the secretary would be a secretary 4 and I couldn't tell you whether the clerk's a 3 or a 4 clerk, but there would be two staff and four doctors.

Mrs. Campbell: Mr. Chairman, if I may, we have the function of the review board spelled out in the earlier vote. I am appalled that this should be hidden in a global figure when everyone in your ministry must have known the direction of questions in the House and other statements which have been made here by my colleague, the member for Nipissing, and by the member for Sudbury East. It is appalling to me that anyone could come here without information of the function of something which determines the life of so many people in this province. I am appalled. I can't put it more strongly.

How often do they meet? Does anyone know that?

Miss Crittenden: Every day.

Mrs. Campbell: Every day?

Miss Crittenden: Yes.

Mrs. Campbell: I see. For how long each day do they meet?

Miss Crittenden: Their hours are the standard government hours unless the person is part-time. The actual board is there from 8:30 until 4:30.

Mrs. Campbell: Could you tell me what part-time means in the terms you have given? Is it part-time in that none of them has been engaged for a full year but they are sitting full-time while they are with you, or is it that some of them are part-time during the day?

Miss Crittenden: No, right now they are full-time.

Mrs. Campbell: How long have they been full-time?

Miss Crittenden: Two have been there since last summer. I cannot tell you the exact dates each doctor has come on staff.

Mrs. Campbell: And what do they do? Do they simply go over the doctors' reports which sometimes can't be found? Or how did they arrive at their determination in each case?

Mr. Martel: They use a ouija board.

Miss Crittenden: They review the medical documentation on the files.

Mrs. Campbell: Well then, who files this documentation? Why is it so often lost? Why do we have to keep coming back, getting more doctors' certificates or doctors' letters or doctors' reports, whatever you want to call it? Why do we lose so many of these? Are they lost in this committee, or are they lost in the ministry?

Miss Crittenden: No, I think that it isn't a matter of so many being lost. We have traced where documents have gone; it has appeared that certain documents had been mailed to other offices in the government. A recent case we tried to trace where documents were, we found them in the city of Toronto. Another time a social worker from another agency had the documents.

Mrs. Campbell: You mean you never —

Miss Crittenden: If they never reach us they're not really lost. Once we are informed that something is going on, we put tracers on to find out where a document is that has not reached us.

Mrs. Campbell: Mr. Chairman, I'm sorry, but may I understand this? I'm talking about the kind of case where the documentation has been in, where the Medical Advisory Board has reported back refusing the application, and where, then, the medical papers are lost. Why would they be in the hands of some social worker at another agency?

Miss Crittenden: I was not referring to that, Mrs. Campbell.

Mrs. Campbell: All right, that's the kind of case. I want to know, where did they go? Did they get lost in this advisory board? Did they have a filing cabinet?

Miss Crittenden: Yes.

Mrs. Campbell: Good. They then are in there presumably, and who loses them? Or do you know who loses them?

Miss Crittenden: I couldn't tell you who files each document. But in point of fact the files that had been indicated as lost, have never reached us. And this is one of the things that is a concern. They have not been mailed to us, and have not reached us.

Mrs. Campbell: Mr. Chairman, they must have reached you — I'm sure there are some that don't reach you, I'm not questioning that — but the ones that I'm talking about must have

reached somebody, because the Medical Advisory Board has, presumably, looked into that situation and decided that the person is not permanently disabled. Now, if they make that determination without medical records, on what do they base their decision?

Miss Crittenden: I'm sure they don't make that decision without medical records. And if you're implying that having made a decision, the documentation is not available, I would be very glad to know the names of those cases.

Mrs. Campbell: I think the minister could give you the most recent one, and I'm not going to name the name. But he asked me to get copies of the original reports because they couldn't be located. Is it true you've moved some offices and that in the shuffle that has been the case?

Hon. Mr. Brunelle: Yes, the FBA offices that were in the Hepburn building were moved to Eglinton around Christmas time.

Mr. Anderson: Mr. Chairman, I certainly can't clear up all of the situations. But one of the situations that does occur is that in certain cases an application is made for assistance; taken by the field worker; the records, outside of the medical records, appear in Toronto and they are under consideration. If the medical report does not come in, then a letter is sent out to the person saying he or she cannot be considered as permanently and totally disabled — whatever the wording might be — because the medical information has not been obtained. That's one of the situations.

In one of the cases that has been discussed — because of the split jurisdiction of assistance between the municipality and the province the case was in "pay" for an extended period of time — over two years — in the municipality. During that time, periodic medicals were requested; they came in and were added to the medical history of that person in the file. Then after an extended period of time a referral was made from the municipality to the province and a medical was provided which should have come to the province at that point.

Presumably, from the information we have, it went again, as per the habit of the doctor, to the municipality, where he'd been sending it at practically three-month intervals. It was added to the file there and was not transmitted to us. It became further evidence of the medical disability in the entitlement for municipal assistance. So these are two of the kinds of situations that can occur.

Beyond that we also have the fact that we have moved our administration, in boxes, over the last three or four months, into the new

premises at 2195 Yonge. Presumably some breakdowns could occur in that period too.

Some of the filing, we have to admit, is almost miraculous. In one of the situations that occurred recently, a medical report was received for a woman in Toronto. The file name was identical to another case which had just been declared discontinued. The birth date by month and by day was exactly the same, although there was two years difference in the age. The medical report was put in the discontinued file and sent out to the discontinued file records. This was a straight clerical error for which we have no excuse. A reference to the address might have shown the mistake or a reference to the year of birth. But that's also the kind of error that can occur when you are handling thousands of these medical reports.

Mrs. Campbell: Mr. Chairman, I really think there is an effort here to confuse two situations. I want to make it abundantly clear that I am speaking about those cases where medical reports have been submitted, where the Medical Advisory Board has turned them down and the medical records can't be found. I can't understand for the life of me what right anybody would have to send those medical reports to anybody else out of the ministry. I would then have to conclude — unless there is something that I'm not aware of, and that could certainly be — that it's a loss within the ministry.

I want to be abundantly fair with you, if there is something I've misunderstood in this. But I can't understand why those records shouldn't be in the ministry, when they have been sent, when the Medical Advisory Board has dealt with them. I am certainly completely appalled at what I've heard about the function of the Medical Advisory Board, the cost of the darned thing, and the results which are so inhuman. I don't know how to get through to you. They are inhuman. All you have to do is go where I go in my riding and talk to the people and know they fit into your definition, for one thing. They still have been turned down by people on part-time at \$25,000 each — four of them — plus staff, and we don't know the cost of the staff. I'm appalled, sickened.

Mr. Lewis: Mr. Chairman.

Mr. Chairman: I think Mr. Smith was ahead of you, Mr. Lewis. On this point, Mr. Smith.

Mr. Lewis: Are you not rotating? That is fine.

Mr. Chairman: I am just following the ones who indicated they wanted to speak. Mr. Smith, do you want to proceed?

Mr. R. S. Smith: I have some questions on this if we are going to do it. Whoever is up next on the list — that's fine, I'll go ahead.

Mr. Chairman: You are next on the list — Mr. Lewis is after you.

Mr. Martel: We just want to know the way the Chairman is going to handle it.

Mr. Chairman: I just put the names down as they indicated.

Mr. Martel: Well, that's fine. I just want to know.

Mr. R. S. Smith: Okay. My questions will follow along the same line although they'll be a little different in that I'm not so terribly upset about the ones which have been lost but I know there has been a great number. My involvement in this goes back to the early 1970s before you took it away from the general welfare assistance and finally moved it into FBA; by that I mean the PUEs. It took us about four or five years to get you to do that. We went through about five ministers including Mr. Wells and Mr. Yaremko before we got that done.

Mr. Martel: Who was that last one?

Mr. R. S. Smith: Mr. Yaremko; Santa Claus.

Mr. Martel: The card writer — get well cards, Christmas cards.

Mr. R. S. Smith: We went through a lot of argument here for a good number of years before they finally decided they would move those people who were permanently unemployable from general welfare assistance where they were treated even more badly than they are under FBA, if you can imagine. That was really a terrible situation then, when you had many people who were permanently unemployable and were disabled and were on general welfare assistance which at that time was at a much lower level than FBA. Besides, it was very difficult to get in some municipalities, depending on the administrator of the programme and the outlook of the council concerned.

After four or five years, we got the government to see the light and to transfer these people from general welfare assistance to the FBA programme and they were treated on the same basis as the disabled in the province.

Of course, in 1974 when you brought in the GAINS programme, you chose to leave out these 12,600 people and for them to remain as permanently unemployed. I can remember that I for one complained bitterly of this on the basis that I was firmly of the opinion that most

of those people who would be left on the rolls as PUE would be left there because of their mental handicap rather than their physical handicap.

I still believe that a great percentage of the 7,300 who remain there are there more because of their mental handicap than because of their physical handicap. This government has yet to accept what almost everybody else in the country and the world has accepted—that mental impairment is a physical condition which is just as curtailing in its ability to restrict a person from the normal type of life as any other physical handicap. I don't feel that you people have accepted that; nor do I feel that the Medical Review Board which sits on many of these cases is prepared to accept that either.

The basic problem, according to the minister, appears to be that the federal government is not prepared to accept the cost of 7,300 people being moved from one programme to another just like that. It's a cost to it of perhaps \$25 per month for 7,300 people and when you look at that, you're talking about \$1,600 to \$1,700 per month or \$20,000 a year. Is that not right?

Mrs. Campbell: No.

Mr. R. S. Smith: A \$25-per-person cost to the federal government to move these 7,300 people would be \$300 per year per person; \$210,000 is the total cost to the federal government that we're talking about.

Mr. Lewis: It's probably \$2.1 million, so it strikes me.

Hon. Mr. Brunelle: Yes, it's in the millions.

Mr. R. S. Smith: It's \$300 —

Mr. Lewis: I haven't added up the zeros, but I suspect it is \$2 million.

Hon. Mr. Brunelle: It would be the difference between \$170 and \$240 at the present time, which is \$70 per month multiplied by 12.

Mr. R. S. Smith: Okay. Even if the cost is \$2.2 million to the federal government, when we look at a budget of \$444 million right here, and a federal budget of perhaps \$1 billion to match the grants or to match the cost in the programmes right across this country, then the \$2 million it would cost the federal government becomes almost insignificant. Obviously it is almost insignificant in the cost here, where we are looking at a programme that is costing a total of \$444 million. The difference of \$2 million is really not a large amount of money.

Hon. Mr. Brunelle: The Chairman here tells me he made a few figures —

Mr. Chairman: Five million, eight hundred and eighty thousand dollars.

Hon. Mr. Brunelle: This was the only additional cost but it is the implications with the other groups that are also very deserving.

Mr. R. S. Smith: There is no question about that.

Hon. Mr. Brunelle: So it is all a question of need. We're trying to establish it to give the most to those who need it the most.

Mr. R. S. Smith: As I pointed out to you yesterday, I don't think there is any difference in need between these people and mothered families with two or three children. I think they have just as great a need. We are not arguing about need because there is just no argument there. They all have need under your programmes because none of your programmes matches up with the poverty line. Everyone on your programme has need except those on the GAINS programme.

What I am trying to do is to get some people on to the GAINS programme, even if it is only a partial part of those who have a need. If the cost to the province is just over \$2 million, and to the federal government over \$2 million, and you have an extra cost of \$20 per month for these people, that may be another \$1½ million. Then the total extra cost to you is \$3½ million, the extra cost to the federal government is \$2 million.

I don't want to indicate that \$1 million is nothing, but when we look at a programme that is costing \$444 million, a \$3½ million cost to you and a \$2 million cost to the federal government is peanuts, particularly when you look back and see that the tax cuts that took place last fall federally were \$300 million. The tax cuts that took place in this province just a few weeks ago were 30 or 40 times the amount we are talking about.

It is not really a question of the money that is involved, because the amounts are minimal. I am sure if you moved those people over and said they were disabled, and that your doctors considered them disabled, there would be no way the federal government could come in here and say that this guy, or that guy, or that guy, is not disabled, because there is no way the doctors on your review board can say it right now. They depend on the form that is filled out by the person's own family doctor.

Mr. Martel: A misleading form.

Mr. R. S. Smith: It depends on which of those four last things are checked off. It took

us some years to get those straightened out so they were understandable. They are still not understandable because most doctors can't tell the difference between No. 3 and No. 4. They have no idea what the difference is between 3 and 4. Any I have talked to check the one that comes first, which is usually No. 3. I suppose that is placed in No. 3 position so it will take care of putting those people on the disabled list rather than on PUE.

Mr. Martel: On the form they don't even have a No. 4. They don't even have a place for the doctor to put a check mark in No. 4.

Mr. R. S. Smith: They still have in this book.

Mr. Martel: Oh yes, it is in the book but not on the actual form.

Mr. R. S. Smith: That is the 1974 form.

Mrs. Campbell: They might even cut the administrative costs if they consulted with the family.

Mr. R. S. Smith: As I understand when I talk to the Medical Advisory Board — and I do talk to the Medical Advisory Board on specific cases; I don't go to the minister with my cases or to the deputy minister because I feel if I have to do that to get people on to something that they're entitled to, then there's something drastically the matter with the programme. It's only in very special cases that I go to either one of you people. I generally work through the directors in the ministry and the people in the specific area that covers north-eastern Ontario. I do speak with the doctors at the Medical Advisory Board, on occasion.

If they look down and see them marked No. 4, for example, they say, "This guy may be disabled. We'd better look back and see what the doctor says about him." Then they look on the other side of the form to what the doctor actually says is his physical condition. Matching up his physical condition with your description of disabled, or permanently unemployable, is usually almost impossible.

I've received many medical reports, taken them and tried to decide whether I would place them in permanently unemployable or disabled under your definition. It's impossible to do. The fact of the matter is, I think you would be better off to buy two pins, get rid of those four doctors, and have somebody sit there blindfolded and just go like this and like that.

Mrs. Campbell: Pin the tail on the donkey.

Mr. R. S. Smith: I think you would come out with exactly the same decisions as you're getting now. There's no way that those doctors,

based on the evidence that is usually on these forms and on your descriptions, can come to any conclusion whatsoever as to whether the person is disabled or is permanently unemployable. I think it's a farce and a waste of money to have them sitting there. Perhaps the \$200,000 or \$140,000 to \$200,000 a year you must be paying these four doctors, would be much better spent by putting it into the programme.

Mr. Martel: You could establish a good dart game.

Mr. R. S. Smith: We are wasting everybody's time by going through this process and causing all this difficulty, paying your field workers to run around and get applications and re-applications. In many cases I know there have been four applications made, four decisions made by the review board of the medical doctors and then it goes to the appeal board. They send that appeal board up into my area to hear one of these cases. The appeal board arrives and they don't understand it. They don't even understand the medical terms.

I may be in a little different position because I do understand most of the medical terms. I've gone to the appeal tribunal where there's just no understanding of the medical terms that are involved, and it's a bigger waste of time than the Medical Advisory Board. You've paid those people \$80 or \$100 or some fantastic amount per day, to come up — two of them — and assist in making a decision that they're not able to do. They're not trained to do it, they don't understand what they're doing, and they're wasting their time and the people's time.

When you put all this together the programme really becomes little more than a joke. There's just no way that you can rationalize your way out of a differentiation that doesn't exist between PUE and disabled.

Maybe I'll ask you some specific questions. What specific medical problems would place a person in the category of disabled?

Hon. Mr. Brunelle: I'll have to ask the staff on the determination of the Medical Advisory Board.

Mr. R. S. Smith: Do these doctors have a guideline that they follow?

Mr. Haggerty: We will get six different opinions.

Mr. Anderson: Yes, I think perhaps, Mr. Chairman and Mr. Brunelle, that Mr. Smith, the director, can deal with it more directly. I've already checked with him about the question of the plot on the medical form, and we did

discover that the box was omitted. The new printing has the box in.

Mr. Martel: Why don't you change them around and put disabled as No. 3 and unemployable as No. 4?

Mr. Anderson: I think perhaps Mr. Smith could advise you better on the direction that the doctors receive in the consultations that he has with them, and as to the determination, and the guidance they get with regard to disability.

Mr. Bounsall: How long did the forms not have those boxes on for point 4?

Mr. W. G. Smith (Director, Provincial Benefits): It was one printing, Mr. Chairman. I don't know what the total number of forms in that particular printing was, but something was missed in the proofreading and it was purely an accident.

Mr. Martel: It wasn't a plot?

Mr. W. G. Smith: Not to my knowledge, because I am sure it has caused me more grief than it has most other people.

Mrs. Campbell: No, I wouldn't say that.

Mr. R. S. Smith: I would like to know what guidelines you give the doctors in order that they can make a decision as to where people stand. First of all you have to take into consideration that the doctors making these decisions have never seen these people that are never examined. They are going only on the hearsay evidence of what they read on the form that is supplied to them from the medical practitioner who has examined them. Some of these are very fair and honest in filling out any types of form; some of them are very biased against filling out any types of form; some of them are very biased against anybody who is obviously making application for any type of social assistance.

Mr. W. G. Smith: Mr. Chairman, I suppose the only way I can answer this question is to say that the Medical Advisory Board, to the best of my knowledge, examines the statutory medical form which is completed by the family physician. At the same time they examine a report which is submitted by a member of our own field staff who has seen the person in question —

Mr. R. S. Smith: But he has no medical background.

Mr. W. G. Smith: No, but they at least do answer such questions as to the person's ap-

pearance — the sort of things that they need help with if they need help; how they appear if they get up and walk — that sort of thing. In other words, it's a layman's opinion to go along with the professional opinion of the doctor.

In addition to that, in doubtful cases they request additional medical information perhaps psychiatric assessments if there have been such assessments. They will request additional evidence from general hospitals if the person has been recently hospitalized, for example.

The other thing that is important to remember is that the members of the board have without exception had many years of practical medical experience behind them. They have seen thousands of patients in their careers. When you get right down to it, it is a subjective judgement on their part based on the evidence they have before them. That's about the only way I can answer that question fully and honestly. They do follow what I believe they think are established medical principles in trying to determine as best they can which category people fit into.

Mr. R. S. Smith: What are the established medical principles?

Mr. W. G. Smith: I am not a physician so I really cannot answer that question fully. At least I wouldn't attempt to answer it. I think the only person who could answer that question would be a physician.

Mr. R. S. Smith: In other words we have a description here, and you have a board that you appoint medical practitioners to, and you give them no guidelines other than what is on this piece of paper, here.

Mr. W. G. Smith: No, Mr. Chairman, I think that would be erroneous. The legislation itself does give fairly specific guidelines in terms of the two definitions that are there. One seems to me, as a layman, to say that a person to be classified as disabled almost requires the assistance of someone else with some of the normal everyday activities he engages in. The other definition implies a medical condition which would prevent a person from being engaged in what might be called productive employment over a long period of time. Those are the sort of basic guidelines they have to work from.

Mr. R. S. Smith: On what basis would you say that a person is unable to take part in productive employment over a long period of time other than the fact that he is disabled to the extent that he can't work? And if he is disabled to the extent that he can't work, then he is disabled within the meaning of this description here. This just doesn't —

Mr. W. G. Smith: May I try to give some examples which I think are the only way you can answer that ind of question? A person who goes into hospital for rather extensive surgery may be classified, I would say, as unemployable. The doctors can perhaps tell you, within two to three months, the length of time that he is likely to be completely unemployable. They might also be able to tell you that with certain other types of therapy following surgery, or some other treatment, he might be completely employable in a period of nine months to a year — this kind of thing. So that I guess it is, again, one of judgement.

Mr. Lewis: Good Lord, you beg the question. Forgive me for intervening, but no doctor who says that he may be unemployable for eight or nine months is then going to categorize him as permanently unemployable. The word "permanent" does not have that meaning.

Mr. W. G. Smith: That is what I am saying; that he would, therefore, not fall into that category.

Mr. R. S. Smith: Well, where would he fall?

Mr. W. G. Smith: May I try to complete the answer?

Mr. Chairman: Order, please. Let Mr. Smith finish.

Mr. W. G. Smith: On the other hand, if, in the doctor's opinion, that same radical surgery is going to make it impossible for him likely to be able ever to go back to work, then I think he would put him in that category. Now, obviously I have taken an extreme case to try to illustrate the point.

On the other hand, I say to you that there are a small percentage of cases — probably five percent on either side of that line — that could probably be classified in either category quite easily. Again, that is where the subjective judgement of the Medical Advisory Board comes into the picture. Or it would be the same, I think, if anyone else were doing it. It's probably the same kind of judgement that the person's family physician uses when he makes a distinction on that form.

Mr. R. S. Smith: Well, what you are saying then is that we are only talking about 350 people here out of these 7,000 — five per cent. I am sure that everyone of us sitting here has dealt with 100 people in our constituencies who are permanently unemployable and have remained that way for four or five years, and who are not considered disabled.

I am sure that anybody who has extensive surgery or any other type of physical ailment,

and is permanently unemployable for four or five years with no prospect that he is going to return to employment, could be considered permanently disabled under the description we have here of permanently disabled. So, as far as I am concerned, we are talking about a lot more than five per cent. In my subjective judgement — and if that is the way it is going to be done, it's as good as anyone else's —

Mr. Lewis: May be better — more compassionate.

Mr. R. S. Smith: I would suggest there are at least 50 or 60 per cent of these 7,300 people who should be on a disabled pension, and therefore the GAINS programme. Certainly there may be 3,000 who will be off work for a period of a year or so because of some physical impairment or surgery or some other type of thing, and aren't permanently disabled or can be given some type of rehabilitation to bring them back to the point where they can go back to work.

But I am certain that almost everyone in this room would agree with me that it's a hang of a lot more than five per cent or 350 people in this whole province that we are talking about.

Mr. W. G. Smith: Mr. Chairman, I think I said that it was my feeling, based on what I have observed, that it is probably five to ten per cent on either side of that line who might fall in either category.

Mr. R. S. Smith: I am just looking at the one side of the line, the ones who are not. So I am talking about five per cent or ten per cent of 7,300, which is 730. But as far as I am concerned, there certainly is a hang of a lot more than that — unless there is a very much greater percentage of them living in the district of Nipissing than there are in the other 116 districts in this province.

Mrs. Campbell: Don't kid yourself.

Mr. R. S. Smith: I don't think that is true; because I think our health problems, as far as most of these considerations are concerned or that form is concerned, are no different from the average across the province.

Mr. Martel: We all have 100 cases like that.

Mr. R. S. Smith: Yes, we all have 100 cases at least that we know of, that have come to us, or that have been around two or three times and been processed two or three times through.

The thing that really bothers me is the fact that you have a Medical Advisory Board which is given these terms of reference and that's all

it is given. It is not given anything else. If a guy is suffering from a disease such as leukaemia, which is acute leukaemia, under which does he fall? There are remission periods under acute leukaemia, where he might go back to work for a week or two if you don't watch out, and then what would you do with him?

Mrs. Campbell: That would be terrible, just awful, if he went back to work for a week.

Mr. W. G. Smith: Mr. Chairman, may I add one other comment to this? I would say that there are occasions on which a member of the Medical Advisory Board, in situations perhaps such as leukaemia — which is a very difficult one to assess, I understand, from a medical point of view — would, in fact, consult directly by telephone with the physician in question who had filled out the original form, if he felt that that would really help them make a final decision on that particular kind of case.

Mr. R. S. Smith: Okay. So in specific kinds of cases there is reference back to the medical practitioner who actually is treating the patient, whereas in most of the cases, however, there is not that reference back?

Mr. W. G. Smith: Pardon?

Mr. R. S. Smith: In most cases there is not that reference back to the original physician who was treating the patient?

Mr. W. G. Smith: Yes. As I say, it is only in those cases where they feel it is necessary.

Mr. R. S. Smith: One of the other questions I would like to ask is, has there been any attempt made by your ministry at any of the OMA conventions, or on the basis of the regional meetings of the medical profession or anything such as that, to get the medical profession together and explain the form to them and state exactly what each thing means?

Mr. Anderson: There hasn't been a great emphasis on that in the past, but correspondence has gone to the secretary of the OMA to set up a committee to work with them on the development of a new form, the new criteria for completion of the forms, and to explain the total function of the form to them.

I think one of the things that Mr. Smith has said, and we probably have to acknowledge, is that total disability or even unemployability is obviously something that can't be medically diagnosed alone, and that's why I think it is important that you accept the input of a non-medical person, a non-medical evaluation to assist in that kind of an assessment. I realize this may not be acceptable to many people, but

there are a lot of people working in this building or in this set of buildings who would be medically considered totally disabled, were they to discontinue work.

So I think without some kind of a social evaluation, some kind of a lay assessment that goes beyond their physical capabilities and tries to indicate what their mental limitations might be in addition to their physical limitations, and what their capabilities are with regard to education and background, what is total disability in a person of 59 or 60 may not be total disability in the context of a person 22 or 23 years old who should undertake, if he can be encouraged in any way possible, a rehabilitation programme. If you take a purely medical evaluation, there are any number of people working here who would probably have suffered their first, second or third coronaries, but they would not be considered permanently unemployable.

Mr. Martel: It's the inconsistency of it though, because I have seen medical reports submitted and then the field workers' reports don't support that; they are just contrary.

Mr. Chairman: Mr. Martel, don't interrupt the answer you are receiving, please.

Mr. Martel: I am not interrupting the answer. I'm adding my own comment.

Mr. Chairman: I know, but wait until your turn.

Mr. Martel: No. What is this, a schoolmarm?

Mr. Chairman: No, but I think you do disrupt the trend of thought and the trend of answer and I think you are doing a disservice to the person who is answering.

Mr. Martel: I thought he was finished.

Mr. W. G. Smith: Mr. Chairman, I would like to add to what Mr. Anderson has said that it had been our intention, and it had been the intention of the chairman of the Medical Advisory Board, during the past year to do precisely what is being suggested here, which would be to try to attend local medical association meetings. Unfortunately because of the introduction of GAINS and the necessity to reassess all of those cases, that was not possible. As I say, we have talked about this on several occasions and we are hopeful that we might be able to initiate that later on this year.

Mr. R. S. Smith: Because of the introduction of GAINS and specifically because of the change in the programme from PUE to disabled on the basis of the amounts, the funding that is going to be made available to those peo-

ple, it was even more important that that be done. Up until now, it really didn't matter whether the doctor checked No. 3 or No. 4 on what he put on there as long as he was either considered permanently unemployable or disabled, because he received the same amounts in benefits, except perhaps some ancillary grant of \$10 per month for travel allowance or something like that.

Basically, the amounts that were made available to people on either programme were the same after it was changed from GWA to FBA. There wasn't really the need for the explanation to the doctor. They could go on in their own way and it really didn't make as much difference as it does now.

Since the change in the programmes, there certainly is a basic need for an educational process of the medical people in the province as to what this type of form they are filling out is. I have dealt with many a doctor on these forms in my area. It is appalling—I wouldn't say the ignorance, but the lack of knowledge they have of what they are really doing when they fill in this form. Decisions are made on people's lives as to whether they receive \$240 or \$163 or \$65 or maybe \$70 a month that are based on some guy sitting there checking off a form and marking something over here while he is thinking of 20 other patients he has got stuck in his examining rooms.

I would like to comment on what Mr. Anderson said too. I agree basically with what he says, that there are many people who, strictly on a physical examination basis done by a practitioner, could be considered permanently disabled under your programme, but who are not because they chose not to be. There are those people in the province. He mentioned some particular cases that perhaps I am personally aware of.

Those are personal decisions that people make themselves. Those are not to be made by those four doctors who sit there and decide whether a person should quit his job and go on permanently unemployable or disabled or whether he shouldn't. Those are personal decisions that people make themselves based on what they want to do as individuals. I really don't think that all the interviewing in the world or all the medical evidence you are going to get is going to change that type. The fact is, if those people make that decision, they are not going to come to you anyway. You don't have to worry about it because they are going to be in the work force, if they make that type of decision.

There are those people that you mentioned

for whom, because of social differences in perhaps age and educational backgrounds and opportunities that are available to them, this changes the question of whether they are permanently unemployable or not. But it certainly doesn't change the question as to their disability. If you are going to follow the guidelines that you have here, as far as disability is concerned, I don't think if a guy is 22 or 62 that the major physical or mental impairment is any different, other than the one consideration that I have given to you, where we both agree that he can make up his mind for himself whether he feels that way or not.

Basically, on medical evidence I don't think there is any way that you could say that age or the outlook of the person or any of those things is going to change that type of physical disability which is self-evident. I think your arguments are rather facetious in that regard—not facetious. I'm sorry, that's the wrong word to use.

Mr. Lewis: Spurious.

Mr. Anderson: Excuse me, in that regard, I only intended that to be an example of one thing. But I think that same kind of evaluation in the home of the person who is indeed considered to be permanently unemployable can determine whether or not he must have assistance in the home.

You might be looking at a person who is reasonably competent to handle his own affairs in his own home as long as he lives within exercise limitations. That person may not then be considered totally disabled but only homebound. Actually, not even homebound, but with having a low exercise tolerance which doesn't allow him to partake of manual labour. His education doesn't allow him to partake of sedentary kind of work, but still allows him to live without assistance of another person.

As an example, there might be a bachelor who has a severe heart attack, perhaps of moderately low intelligence, not too much education, but who can do his own cooking, his own cleaning, and live within his own limitations in his own home, without outside help. We would then consider that person on that kind of a social evaluation, as well as the physical level, to be permanently unemployable but not necessarily total disabled.

This was the case with many of the situations which were transferred from the municipalities—men who were considered to be permanently unemployable, but who had been in and out of the labour force; the kind of men who were delivering handbills, who did odd

kinds of work in the municipalities; who were considered to be long-time situations for public assistance, but not necessarily totally disabled; men who would never have a total capacity to earn a full year's work.

It's reasonably accepted that even some of the people we now have on as permanently unemployable are still augmenting their assistance through this kind of participation in the work force—never on a full-day basis and never requiring any assistance in the home. Still, within our terms, they are considered to be permanently unemployable in the context of the average person's approach to permanent and full support. So that's the kind of differentiation that sometimes is possible to make if you augment the medical report with a social evaluation by a non-medical person. That's the value we place on those things. Those are the kinds of determinations we try to make.

Mr. R. S. Smith: And then after that determination is made by the field worker, I presume, the medical practitioner, who likely has had no training whatsoever in the field of social evaluation, gets the report. He makes his decision based on the medical report, for which he is fully trained. But on the social evaluation, he has no previous training whatsoever. So, it becomes a pretty vicious circle. If you want to put them both together, then you have to have both types of professionals sitting there to try to do the job—and you don't have this. You only have medical people sitting there—four of them—to do the whole job.

Mr. Anderson: Well, with a recommendation from the social work staff to augment their decision.

Mr. R. S. Smith: I still find it very difficult to understand the differentiation. I go through this—

Mr. Chairman: I wonder if Miss Crittenden could answer.

Mr. R. S. Smith: Go ahead.

Miss Crittenden: Mr. Chairman, Mr. Smith is quite right. Our problems became much more acute after the GAINS programme came in and we have undertaken to try to solve some of the dilemmas that have faced the ministry in different ways.

I'm sure some of you are aware that certain cases appeared in front of the Board of Review. In fact, the Board of Review has ordered the ministry to declare certain people disabled,

because it has had the opportunity to see them in their own homes.

As a result, we have directed—as the minister just mentioned—that for every case that is turned down as disabled, a home visit will be made and further information will be taken at the home, both medical and social, in an effort to ensure every person is given as adequate treatment as we can possibly give. The intention in this is to assure that what you, yourselves, are finding when you see the people at home is what we will find out.

One of the points that was made just now was about certain kinds of illnesses where we look for disability. I talked to some of the doctors on the medical board a while ago about diabetes. If a person is, say, 42 and his report shows diabetes and no other comments, it is highly unlikely that the Board of Review is going to declare him disabled. For the diabetic, it helps if there is additional information provided. I can give a kind of example where a diabetic is already paralyzed, haemorrhages have occurred in his eyes, he is no longer able to walk and no longer able to drive a car and has taken convulsions. If that is not on the medical, he is not going to be disabled by the Medical Advisory Board.

But if someone goes to the home and can talk to that family and discover these things, this additional data will make it much easier to determine this. I don't think some of the doctors—and the point is well taken—put all the information down. I don't think some of them realize how vital it is. What we are attempting to do by having additional visits to the home, both medical and social, is to assure that everyone who is turned down will get a second assessment.

Mr. R. S. Smith: The least I think you can do beyond that is to have a crash programme for the medical profession to make them aware of how to fill out the forms. I think that is a very simple thing that should have been done when you brought in the programme in 1973.

Hon. Mr. Brunelle: And also the forms to be revised.

Mr. R. S. Smith: Also the forms to be revised. But I don't think the OMA and all this business is worth the powder to blow it up, because really what you have got to do is get to the guy who is filling out the forms. What you have to do is have your people in the district offices meet with the doctors in that area when they hold their meetings and have a form there and explain it to them and set up some kind of a presentation that you can make to them.

Mr. Martel: You could even buy them dinner.

Mr. R. S. Smith: I know that may sound like an oversimplification of a problem that they should have already figured out. But, obviously, it is one of the major stumbling blocks to a lot of people requiring this type of programme.

I am just going to wind up my remarks. The second thing I would say is that your descriptions of disabled and permanently unemployable are your descriptions. They are not under the federal government regulations. They have nothing to do with what is included in the Canada Assistance Plan, as far as I can tell. There is no suggested established description of disabled under the Canada Assistance Plan, nor is there an established description of a permanently unemployable person under the Canada Assistance Plan.

I am sure there would be no difficulty if you just wiped out that description of permanently unemployable and moved all those people into the disabled category, except for those few people whom you may keep on family benefits if you know that their disability is of a short-term nature.

By a short-term nature, I mean six or nine months or perhaps even a year at the outside. If there is any question that their disability is of a longer term than that, then I think that they can only be described as disabled. Over a year I call pretty permanent, because if they do become better you can take them off and there is no problem to doing that. After one year or after a year and a half you are going to be asking for another medical anyway. You will have a second chance to review their situation at that time and the field worker will be calling on them in the meantime to take that assessment.

I can't see for the life of me where there is any implication that this is required by the federal government under the Canada Assistance Plan. I don't know what goes on in your conversations with Marc Lalonde or with any other of those fellows down in Ottawa. If they want to put it in writing, let them put it in the plan. Let them put it in the Canada Assistance Plan under their regulations what an unemployable person is and what a disabled person is. Then you could come to us and say, "There, we can't do a thing." But right now, as far as that goes, I just don't believe that the federal government would take that position in regard to most of these people.

The other point I would like to make is, insofar as this paper is concerned, that obviously there is a dividing line which is very difficult to distinguish and they are a small

percentage of cases. I really take exception to that. There is a large percentage of cases. On my subjective judgement I say there is a large percentage of cases and I give you the right to say on your subjective judgement there are few.

I think if you just look around it is obvious to most of us that there is a large number of cases. It is beyond the point where the people who come to me, at least, and who are trying to live on \$170 a month or \$163 if their rent doesn't come up to provide them with \$170, are going to stand for it much longer. They can't live on that kind of money and you know it as well as I. I couldn't live on that kind of money, neither could you and neither could any one of us in this room.

So I think, regardless of descriptions of unemployable or disabled or anything else, the fact is we are talking about money and that is what the important thing is insofar as this is concerned. There is no reason I can see where the \$3.5 million that it would cost this province to put these people on the same basis as those who are disabled, if you don't want to consider them disabled, is any great deterrent. Nor is it a deterrent at the federal level that we pay their \$2 million share without any quibble, as far as I am concerned.

With these remarks, Mr. Chairman, perhaps the minister could reply to me for a short bit, or he could reply after everybody else speaks, it doesn't matter.

Hon. Mr. Brunelle: If I may make just a very brief remark, as a result again of recent discussions with the federal officials we are hoping the definition of disability will be broadened and also, hopefully, if we could use the same criteria that they are using for the Canada Pension Plan this would be very helpful. I understand that this appears to be agreeable.

Mr. Haggerty: There are a number of cases, though, who are receiving about \$60 Canada Pension cheques. Maybe they don't qualify under your scheme.

Hon. Mr. Brunelle: No, they don't.

Mr. Haggerty: Why not?

Mr. Chairman: Order please.

Mr. R. S. Smith: I just hope you don't use the Canada Pension Plan qualifications, because there are people who would go both ways—some who qualify for your GAINS and don't qualify for CPP and some who qualify for CPP and do not qualify for GAINS. Don't use that, because you are just going to reverse

your field and you are going to have some people come off and some people go on. That would be just an horrendously ridiculous situation.

Mr. E. P. Morningstar (Welland): Mr. Minister, I think you mentioned last July—

Mr. Lewis: No, you don't interrupt the discussion any more than anyone else.

Mrs. Campbell: Mr. Lewis is next.

Mr. Morningstar: They all are so—

Mrs. Campbell: Mr. Lewis is next.

Mr. Morningstar: Everybody is talking over there.

Mr. Chairman: Order, please.

Mr. Lewis: I'll just cope with Ellis.

Mr. Chairman: Mr. Lewis, you have the floor now.

Mr. Lewis: No. I—

Hon. Mr. Brunelle: One brief second—

Mr. Lewis: Go ahead, I have several days.

Hon. Mr. Brunelle: As a result again of the conference last week, there were two components about a basic guaranteed income. The provinces were more or less unanimous on an income support programme which would sort of combine GWA and FBA and this would be implemented early next year. It would be income support for those who are unable to work due to disability or age, or various reasons, as well as those who are unable to work because work is not available. The second component, of course, is the one about wage income supplementation, and that is more difficult and more long-range. It will take about two years. The first, income support, is one that I think hopefully there should be—

Mr. Lewis: Hopefully.

Mr. R. S. Smith: Yes, but that is what we were talking about under the first vote.

Mr. Chairman: Yes, well we are on vote 2602, Mr. Lewis.

Mr. Lewis: Some of us aren't willing to rely on the hope any longer, Mr. Minister. We've been waiting for that income supplement programme for 10 years. Symptomatic of the whole discussion was the very friendly offer from one of the senior members of your staff when I was about to light up my cigar and couldn't find a match. He passed a packet of

matches to me on which is inscribed in large letters the little aphorism: "12 ways to get a raise." That's something that upsets people in your ministry, quite naturally. It is something which, quaintly enough, speaks to what we're discussing. You might hand it out to everyone who is permanently unemployable and find out whether they might somehow ascend to the special ranks of the physically disabled.

I want to tell you a piece of startling and interesting information. There are no longer 7,300 people who are permanently unemployable. There are now 7,299. Mrs. A, whose name I cannot use, whose case I used on a CBC Provincial Affairs show, was today placed as disabled and put on the GAINS programme.

So my first question to Mr. Smith, Mr. Anderson, or any one who wishes to answer, deputies and ministers and all, is: How is that **Mrs. A, who received a letter from the Medical Advisory Board on April 18, after a full scrutiny of all the evidence including accompanying medical documents, saying that she would continue to be seen as permanently unemployable but not as disabled, and whose case was brought to public view on Saturday, April 26, was suddenly given GAINS today?**

What remarkable event occurred to distinguish her physical condition in the extraordinary period of 10 days? I would be interested to know. She is a person who has not, until now in life, believed in miracles. I'm just fascinated to know what happened.

Hon. Mr. Brunelle: I'm not sure which case the member is referring to, but there was one case that made news recently. We admit that there were some administrative oversights on our part. This case was mentioned earlier, I believe, when it went to the social agencies, to Metro, and finally to us.

Mr. Haggerty: You just happened to pull it.

Mr. Lewis: It wasn't the case, I guess, that Nancy Cooper used on the front page of the Globe and Mail. That wasn't an administrative oversight. That was an administrative nightmare. I mean that's called driving people to physical and emotional despair by virtue of bureaucracy. That's not an oversight. That's destruction. There is a distinction.

But, apart from that case, I wanted to inform you that this remarkable event occurred in the life of Ontario; that a woman who was unemployable 10 days ago, is disabled today. I'll tell you why it occurred. It occurred because of something called political interference, political intervention; something that I deplore as often as you force us to use it.

Mrs. A went from the permanently unemployable to the physically disabled because her case was raised publicly. That's why. And I want to tell you something about your Medical Advisory Board. I don't know what they do to earn the money they're paid, but they should be scrutinized pretty carefully—perhaps by more senior medical personnel. It is so transparent, the absurdity of the decisions they render, that there has to be something wrong with it.

I want to tell you something else, as I listened to the discussion tonight. I'm sharing it with the minister, as we have shared many things before. I find a discussion like this depressing, because I listen to extremely intelligent senior civil servants who I happen to admire, respect and have affection for, forced to give the most preposterous definitions, the most elaborate refinements of the English language, in order to justify things that are indefensible.

You forced them to that extreme, Mr. Minister. You make a bureaucracy an absurdity by forcing intelligent, reasonable human beings to put definitions on categories which are an affront to the English language—and you shouldn't force them to that extent. That really bothers me. It's something that I've never understood about this ministry. It went on through all those years when we were discussing the categorical aid programmes, when Tom Eberlee sat where Dorothea Crittenden sits now, and was forced to give definitions that only—never mind. Go ahead, Mr. Minister.

Hon. Mr. Brunelle: I have just a brief comment on that, Mr. Chairman. Those definitions were brought about as a result of guidelines. Sure, there are definitions under our Family Benefits Act, but again to get back to the question of sharability under the Canada Assistance Plan, we had to have certain guidelines on this whole question of permanent impairment, physical and mental. I understand there have been questions raised as to this whole question of the number. If we were to transfer the whole PUE to disability—

Mr. Lewis: I understand that. I am going to speak first and drink my coffee afterwards because it contains an elixir which is quite unexpected. So I am going to maintain my coherence as best I can.

Mr. Martel: You have to go to 10:30.

Mr. Lewis: Well, I can make it, with or without coffee. I want to understand some of this a little more. This is one of those classics in the life of the Ministry of Community and

Social Services. This is where you have a defined category of people—7,300 people. There is nothing elusive about it and there is nothing abstract about it. There are 7,300 specific cases. My colleague from Sudbury East has come with doctors' letters that he is going to read to you. Obviously the member for St. George has them and obviously the member for Nipissing has them.

As a matter of fact, I want to reaffirm what the member for Nipissing said. When I looked back to that debate in June, 1974, on the GAINS legislation and the component of physical disability and permanently unemployable, it was the member for Nipissing who raised with you the specific category and brought to your attention the mental deficiency part of it. In the Legislature that night you said there were 10,000 and 25 minutes later you had amended your comments to say there were 6,000. Tonight we learn there are 12,600, of whom 5,300 have now been transferred, leaving 7,300 still to be dealt with.

This is not a small percentage of those people in general social allowance categories, as is implied in the memo which Mr. Smith writes to the Premier of Ontario (Mr. Davis), dated April 30, 1975. He points out that in July, 1974, the total number of people who were on GAINS was 32,751. This month there are 40,250, an increase of 7,600 cases.

Hon. Mr. Brunelle: Yes, this is GAINS—the elderly.

Mr. Lewis: No, this is the first month of disabled and blind GAINS. There is an increase of 7,600. Of those 7,600, 5,300 come from the permanently unemployable category. How astonishing that that should be the case, that 5,300 of the 7,600 people added to GAINS have come from the permanently unemployable category. That says something about the total category that you are dealing with. It says something particularly about the remaining 7,300 people.

I don't understand much of the debate about this. I have a case, and I have got the documents coming to me tomorrow, where a woman got a letter on one day saying she was eligible for FBA disability under GAINS and two days later she got a letter saying she was only eligible for FBA permanently unemployable and that is a terminal case. Have you got that? It is a terminal case. Would you like to explain to me the distinction between permanently unemployable and physically disabled in the question of terminal illness?

Maybe your Medical Advisory Board can illuminate that for us? I'll tell you what is

wrong with that blessed board. They have got too much medical presumption—that is what is wrong with them. They have got no generosity of spirit and a hell of a lot of medical presumption. No self-respecting doctor worth his or her salt would make a judgement of permanent unemployability or physical disability based on this form which you send out, based on this form alone. That your Medical Advisory Board should make a decision based on this kind of form is a commentary on them and the system, not on the people who hope to receive the allowance. That's the nature of the system.

My colleague from Windsor West brings me this form attached to one of the serious cases which he has and points out that this is the form where you forgot to add the box in order to check off physical disability. Mr. Smith says it only happened in one printing. Who misses the proofreading in situations which involve the survival of people? I don't know how those things happen in the ministry but I guess they do—because nobody cares very much about these areas.

Hon. Mr. Brunelle: Oh, that is not a fair comment, Mr. Chairman. I mean an error happens in the forms.

Mr. Martel: You don't use the forms then. You just throw them out.

Mr. Lewis: It was someone—Miss Crittenden—who said that doctors don't put all the information down. Of course doctors don't put all the information down. But if you know doctors don't put all the information down, then how come 7,300 people get trapped in this crazy system? If we all know that in many cases it's a mere accident whether you check No. 3 or No. 4 on these forms because of the inadequate definition of permanently unemployable and physically disabled, how come 7,300 people get trapped in the system? If you have to send social workers out after the event, to see whether or not people are really in need of GAINS, how come they have to go through the humiliating process of being rejected in the first place?

In the case of Mrs. A, in my riding, the rejection nearly killed her. She had heart tremors with a succession of serious coronary attacks because she couldn't understand why she wasn't characterized as disabled. You have no right to treat it this way. It's just wrong. It's wrong on any definition of human behaviour. Do you know what flummoxes me about it? I'm going to tell you, I just don't understand it. In this memo which Mr. Smith

threw out—and it's a perfectly good memo and thank you for sharing it with us—he writes to the Premier to explain the definition and to say that obviously there is a dividing line which is very difficult to distinguish and that there are a small percentage of cases who could easily be classified on either side of this imaginary line. I agree with the member for Nipissing; I think there are more than just a minor number. But the real guts of it comes in the comments, that's where the heart of the memo lies, not in the statistical data and not in the preamble, and the data says, and I just want to read it, because it says everything:

One of the reasons we have continued to maintain a distinction is related to the question of sharability of costs with the federal government under the Canada Assistance Plan.

Mr. Martel: So much for the imagination of this ministry, this government.

Mr. Lewis: What do you say, Mr. Minister?

Hon. Mr. Brunelle: Yes, it's quite true. Also at the same time the hon. member for Sudbury East raised the question, and this will come up, about mothers and that mothers should be those who are on family benefits. He recommended, as have many others, that they should get the same rates as for foster children, which would cost \$102 million. So this whole question has implications, when you transfer a lot of these—

Mr. Martel: The family breaks down anyway to a—

Hon. Mr. Brunelle: If we were to transfer 100 per cent of the permanently unemployable to the disability there would be some serious inequalities between other groups. I'm referring to those on family benefits. So we have to take all these matters into consideration.

Mr. Lewis: Just a second, let me understand what you are saying. You mean you won't pay people who are permanently unemployable at a GAINS level because you are worried about introducing unequal features within the social allowance system?

Hon. Mr. Brunelle: What I am saying is that it all has implications and those who are presently on GAINS are there, as I mentioned earlier, due to the fact that they have additional costs because of their physical or mental disability.

Mr. Lewis: Right.

Hon. Mr. Brunelle: And out of those 12,000 or 7,000 remaining who are permanently unemployable—and I'm not sure I like the word permanently because many of those are not permanently unemployable; some of them are only unemployable for perhaps a period of years. They can be rehabilitated or retrained.

Mr. Lewis: But your forms say "permanently unemployable."

Mrs. Campbell: Yes, they do.

Mr. Lewis: The way the advisory board judges them is as permanently unemployable. Don't sit there and tell me you are unhappy with the designation. The designation consigns them to discriminatory treatment.

Hon. Mr. Brunelle: In fairness, Mr. Chairman, I also said that we are reviewing this as a result of GAINS, which started on July 1 last year. We will also be changing the definition. We won't have this rigid definition, as it stands, now, which is causing confusion, as was mentioned—and we acknowledge that. This is very grey area, and we will be making these changes.

Mr. Lewis: Well, I am going to ask you a couple of specific questions. There are 7,300 people now in the Province of Ontario who are classed as permanently unemployable. Let me try to understand exactly what we have been talking about in cost-sharing. Those people, on balance, are entitled—let's use the basic figure—to \$170 under the family benefits social allowance which the federal government now cost-shares with you. Right?

Hon. Mr. Brunelle: That's right.

Mr. Lewis: Right. You are saying that the federal government would cost-share with you another \$50 to a level of \$220? Do I understand that?

Hon. Mr. Brunelle: Yes. Using the figure of 7,000, they will cost-share up to \$220—another \$50—

Mr. Lewis: Right.

Hon. Mr. Brunelle: —for a certain number of those 7,000, but not the entire 7,000.

Mr. Lewis: Where do you have that evidence? Where?

Hon. Mr. Brunelle: As a result of discussions—

Mr. Lewis: No, no, don't tell me about discussions. This memo says: "It has been made

fairly clear to the ministry by the federal authorities that not even these levels would be shared for other than the severely disabled." Now I would like to know—

Hon. Mr. Brunelle: That's right.

Mr. Lewis: I want you to give me a definition of "fairly clear." Who said it? Is it in writing? Have you tried? We would like to know.

Hon. Mr. Brunelle: No, it is not in writing.

Mr. Lewis: It is not in writing.

Hon. Mr. Brunelle: This memo that I gave you—and I did this in fairness—

Mr. Lewis: Of course.

Hon. Mr. Brunelle: This memo was written prior to the meeting in Ottawa last Friday when Mr. Glen Heagle and Mr. Jack McKnight met with the federal authorities.

Mr. Lewis: Yes.

Hon. Mr. Brunelle: And the federal authorities indicated they would be prepared to accept a broader definition of disability.

Mr. Lewis: Right.

Hon. Mr. Brunelle: So this was done in consultation. There is nothing in writing, but it was done in good faith. It will have to be defined, because there is a lot of money involved; not only for this province but for other provinces also.

Mr. Lewis: Well, let's see. You have no evidence on hand in writing that any—let me put it another way. Of the 5,300 people you have transferred to physical disability, has a single one of them been refused federal cost-sharing?

Hon. Mr. Brunelle: No.

Mr. Lewis: Okay. Have you any evidence that any one of the 7,300 remaining whom you transfer would be refused cost-sharing? Where?

Hon. Mr. Brunelle: Based on the discussions that have been held, I believe that if we were to transfer those 7,000, as I said earlier—

Mr. Lewis: Yes.

Hon. Mr. Brunelle: —the federal government would not cost-share on all of those 7,000.

Mr. Lewis: How many?

Hon. Mr. Brunelle: That, again, relates to

the definition of disability to be agreed upon by the two levels of government.

Mr. Lewis: Somebody is giving you a message.

Hon. Mr. Brunelle: Mr. Chairman, since these two gentlemen were in Ottawa, it might be advisable if they spoke. They are Mr. Jack McKnight and Mr. Glen Heagle. As I say, there have been a series of discussions with the federal government on Canada Assistance Plan sharing.

Miss Crittenden: Mr. Chairman, Mr. McKnight is our executive director of finance and has been responsible for the negotiations with the financial officers for CAP, including the directors of the Canada Assistance Plan. Mr. Glen Heagle, as you know, is the co-ordinator of the income security review with the Ottawa officials.

Mr. Lewis: Fair enough.

Mr. J. E. McKnight (Executive Director, Financial Administrative Services): Mr. Chairman, if we go back in time to July, 1974, when the GAINS programme was introduced, we have had quite a long series of negotiations with the federal government, most of which do take place in a face-to-face, kind of round-table discussion. However, we do have from them—I don't have it here tonight, but I believe the letter was dated Aug. 2, 1974—a letter which indicated their agreement to share in the \$50 special needs item, as it was identified for cost-sharing purposes, in the GAINS programme; a letter indicating that the kind of test that would have to be applied was that kind of medical determination which was made under the predecessor legislation—namely the Disabled Persons' Allowances Act, Canada, and the Blind Persons' Allowances Act, Canada. It is on that basis they have questioned a wholesale kind of transfer over to GAINS, "Disabled." They rest their case, as the minister and I believe others have pointed out, on the question of need. In fact, we were unable to demonstrate to their satisfaction need to the levels at which we are paying, and that is why they are currently not sharing in some \$20 per month per case.

Mr. Lewis: Yes. With respect, they are just not sharing, even with BC, the full amount. They may tell you it's need. The federal government has not yet decided, as a policy decision, to share a full GAINS programme.

Mr. McKnight: I might indicate that Mr. Lalonde did tell the conference last week he

was prepared to review that item and move it up, probably to \$55 per month per case. To date, we have not had a confirmation of that in writing.

Hon. Mr. Brunelle: Also relevant to this, Mr. Chairman, the whole question of the guidelines under the Canada Assistance Plan is under review. There is a question which enters into this need testing and so forth. This whole question is under review by the senior officials, so there is revision in that area. It was at our request last year that we were able to raise the eligibility of assets for a single person, which was \$1,000, up to \$1,500. I raised this at the conference last week. At the present time, \$1,500 is the maximum they will allow for liquid assets under needs testing, which I think in this day and age is unrealistic.

Mr. Lewis: Of course, of course. Let me bring the discussion back. With the more flexible definition that is to be put on the word "disabled", is there any way you might estimate what percentage of the 7,300 would be eligible?

Mr. McKnight: There is no way, Mr. Chairman, that I would estimate that. I believe, the hon. member for Nipissing indicated earlier the kind of problem we might encounter there. If we were to move to one definition, such as is found in the Canada Pension Plan definition, we would have to review and perhaps move off the programme a certain number of disabled persons who are not incapacitated to the extent they can't work. That kind of distinction has been inherent in the two definitions, and we have encouraged disabled people on the programme to work to the extent they could, and that was always provided for. That's a problem we discussed with the federal people last week, and which we are going to have to come to grips with and if we can, in effect, narrow the definition. I personally don't think we will have all that much success at the federal level in the short term.

Mr. Lewis: About definitions?

Mr. McKnight: In the short term, I mean a number of months, pending the newer programmes on which they have tried to establish a target date of next spring. In which event we are still going to be faced with the question of certain groups coming forward and saying: "In a flat-rate kind of programme, we have special needs and we must be treated differently." I don't think we are going to escape the question by flattening things out.

Mr. Lewis: I must say I find it hard to understand. In one sense you are certain enough of

the federal government's position to say that certain levels of disability would be unacceptable, based on your face-to-face conversations; but based on your face-to-face conversations you are not able to tell us how many might be acceptable.

Mr. McKnight: No, I think I indicated, Mr. Chairman, that we do have a letter that indicates we must apply the kind of test—and I think that's the expression that we used—the kind of test that was employed under those two programmes, the Disabled Persons' Allowances Act, Canada, and the Blind Persons' Allowances Act, Canada. Those definitions, at least the one in respect of disability, used the words "total" and "permanent". When the family benefits programme was introduced there was some modification to that, and the expression presently employed is "severe and prolonged", which was a slight moderation in the definition.

Mr. Lewis: In a sense it's a world of difference, because "severe and prolonged" can characterize permanently unemployable as easily as it can characterize disability.

Mr. McKnight: Not in the context of the kinds of discussions we've had, Mr. Chairman, because the question of work was never construed as an item of basic, daily functioning.

Mr. Lewis: I want to tell you, Mr. McKnight, that I have people in my riding on GAINS who are not nearly so disabled as people in my riding characterized as permanently unemployable; and I want to tell you that's because I intervened on their behalf, and I want to tell you that's because you respond to political pressure. I want to tell you that your Medical Advisory Board doesn't know what it's doing. The rulings are capricious.

Don't give me sophisticated definitions applied to categories. If you moved every one of these 7,300 people over to GAINS tomorrow morning, you'd win your battle with the federal government. Don't tell me the federal government is going to rule permanently unemployable people off the lists because you haven't given them a definition equivalent to the former definition under the disability legislation. There is no consistency at all.

I had a woman in my riding on the GAINS programme who has now moved out, who not only moves around her apartment easily, but goes shopping, engages in festivities, does recreational programmes; but cannot work; cannot work. In that sense she is totally disabled; but she isn't close to the cases that I have that are permanently unemployable.

That's because in one instance a doctor

writes a particular kind of letter, or the Medical Advisory Board gets out of its bed on one side in the morning, or a politician sends you a note and says: "Rene Brunelle, this is crazy, please intervene"; or it goes before the Board of Review and some articulate argument is made.

Don't give me abstruse definitions exchanged with federal civil servants. The question is a basic social issue: are you prepared to move or aren't you prepared to move? And for reasons of dollars, you're not prepared to move.

Do you know what the dollars amount to? At maximum it amounts to \$3.9 million. That's what it amounts to.

I want to ask you something as a minister. We just agreed to \$6.1 million for Krauss-Maffei exploration and experimentation over the next six years. Do you think that makes sense in the balance of values between people in need and technological experimentation?

We just agreed today to give \$180 a day to Scott Young in addition to the \$250 a day to Judy LaMarsh. Do you think that makes sense in terms of human values on those who are permanently unemployable and need an extra \$50 or \$60 or \$70 to live adequately?

I tell you it offends; it offends all social reason.

Now it may be that we all get trapped in this crazy kind of argument. I sit here and it's Byzantine. It's 7,300 people we're talking about, that's all; most of whom are genuinely permanently unemployable. Most of whom are, therefore, disabled in the extreme, mentally or physically. But for purposes of cost-sharing programmes, contrived by politicians, we impose on these people the penalty of penury.

Does it make sense? Does it make any sense at all? How do you allow yourself to be drawn into these discussions? How do they ever happen?

I know that Mr. McKnight and Mr. Heagle when they go, fight for the rights and the interests of Ontario. But what a pleasure it would be to have a cabinet minister who stood up and said publicly: "I'll not participate in this. It's too degrading. Don't ask me to contrive a definition of disability that is strong enough to exclude people. Don't ask me to participate in something so degrading as that."

Obviously, if people are permanently unemployable they're permanently unemployable, and therefore they should be on the GAINS programme, period.

Don't throw cost-sharing at me. You can't find that \$3.9 million necessary from your government to institute that kind of programme and maybe start it off yourself, and bring the

federal government in afterwards? Don't you know how capricious it is?

I look at my colleague from Sudbury East—he has letters in front of him from doctors saying that it's absolutely and totally impossible to see people as other than physically disabled. I know what happens. When he sends those letters to the Medical Advisory Board and to you, the decision will be overturned. The people who are categorized as permanently unemployable suddenly become categorized as physically disabled. Why? Because somehow they found their way to the member for Sudbury East.

I asked Mr. Winkler a question in the Legislature today. There was a former employee of yours with the child welfare branch who was turned down for physical disability. I asked somebody in my research branch to speak to her today—not today, it was a day ago I guess. She spoke to her for 2½ hours while this woman chronicled her history and wept on the phone. I have seven pages of notes in front of me—you wouldn't believe it—and the case isn't particularly uncharacteristic.

It is inconceivable that she should be classed as other than disabled. You have to be fiendish to class her as other than disabled, but the Medical Advisory Board has ruled otherwise. And why? Because they didn't have sufficient evidence in front of them. It's just no way to treat people. It's no way to deal with it.

In August 1973, she weighed 144 pounds—by November she had gone down to 105. When she entered the hospital in February 1974, she was below 90 pounds. They operated on her ulcer and a hiatus hernia and called her son home from New Brunswick, since it looked doubtful that she would make it. She lived on intravenous and blood transfusions for two months until she weighed just over 100 pounds, when they released her. Since her release she has had two falls from her poor eyesight and balance—one which broke a bone in her foot and spained her ankle, requiring a couple of months of treatment at the orthopedic hospital on Wellesley St.

In December 1974, she had a stroke which paralysed her left side. Gradually, the movement and feeling is returning, but she has no strength in her arm and even carrying a loaf of bread and a bottle of milk is a major effort. She is still on heavy medication for her ulcer and headaches and is supposed to be on a special diet. They even tried acupuncture to relieve the back pain.

Shall I tell you some more about it; is there any point to it? You understand what we are dealing with. You know how absurd these distinctions all are. You know the humiliation

that people are subjected to when these distinctions are forced on them.

I don't understand why we have to contrive situations where all of us are put in the position that we have to defend categories demeaning to people—7,300 people.

There is \$444 million in the budget for FBA, and you can't find the additional money to look after these 7,300 people? It's inconceivable. All we hear here tonight are the definitions, the distinctions which occur from one to the other. I don't understand it.

You know, it's a hell of a process in this Legislature that we're all reduced to. I understand Mrs. Campbell's anger and frustration. The only way we ever break through to you is by bringing to public attention cases of need. Do you know that? If we want to make a case on the Elliot Lake miners, we have to be subjected to the degrading political process of trotting them out on stage—names and medical histories. If we want to get a GAINS programme, we have to stand in the Legislature and read the case histories of pensioners.

If we want to break through the gross absurdity of this programme, we have to raise case histories. And you have no right to do that to us as politicians, and you have no right to reduce the system to that travesty. Unless we personalize it for you, it will never happen. It offends every sensibility. That's not the way it should be.

It should be possible, logically and sensibly, to say to you, "Mr. Minister, these 7,300 people should be receiving full GAINS. It is \$50 or \$60 more in each case. Most of them will be half subsidized by the federal government. Pick up the rest yourself. Fight for it publicly. Institute it programmatically."

We shouldn't have to start chronicling them, one by one, but that's what we have to do because we know every time we raise it in the Legislature at question period, every time we deal with it in the public arena, every time it is reported in the press, you are going to be running back to the federal government and begging them for a broader definition. You are going to stand in the House and make the definition and the 7,300 will drop to 5,000. Then there will be more public pressure and the 5,000 will drop to 3,000. Then you are going to go to the cabinet and you are going to say, "Get the bloody opposition off my back. I don't need this aggravation. We are only talking about 3,000 people. It is only going to cost a few hundred thousand more a year. Get me out from the political barracking." Suddenly all of them are going to come on the GAINS programme.

The scenario isn't fantasy. That's exactly what is going to happen. As I am sitting here and talking to you now, by the fall of this year all of these people are going to be on GAINS, but this is no way to do it. This just isn't the way to do it.

There is something terribly crude about a civil servant, first rate and senior, having to write a memo to the Premier which says that one of the reasons for the continued distinction—I read into that the primary reason for the continued distinction—is because of the cost-sharing under the Canada Assistance Plan. We maintain people in intolerable social circumstances in order to debate money sharing with the federal government. If that doesn't strike you as morally perverse, I don't know what would. I think it does because you are that kind of person. You would not regard it as acceptable.

Hon. Mr. Brunelle: It does not because, as I said earlier, it has implications for our other programmes. The question of sharability is an important consideration.

Mr. Lewis: Nuts.

Hon. Mr. Brunelle: There is so much money in the federal and provincial budgets and we're trying to allot to those who have the greatest needs—

Mr. Lewis: Show me where the federal government will refuse to cost-share if you transfer the bulk of that 7,300. I challenge you. I chal-

lenge you as a member of this Legislature. Announce tomorrow that you have decided that most of the permanently unemployable people can be categorized as disabled to some extent or another and that you, as a government and minister, have decided to transfer them to GAINS. Then show us the federal government's refusal to cost-share.

I am telling you it's arrant nonsense. They will pay every penny for everyone who is moved. It is a thin and wretched disguise you are foisting on us and if you are caught in—is Marc Lalonde going to shaft the provincial Liberal Party on the eve of an election? Are you trying to tell me that as well? Are political considerations involved? Come off it. Whatever they may say around their circular table, you make the move and the federal government will join you.

I am so agitated about it I threw coffee all over myself and I hadn't even drunk its contents to the full in order to make the whole exercise worthwhile. I presume we can continue this, Mr. Chairman, on another occasion.

Mr. Chairman: Yes, we will rise now and resume on Thursday after question period.

Mr. R. S. Smith: We are not going to sit tomorrow?

Mr. Lewis: No.

The committee adjourned at 10:25 o'clock, p.m.

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Legislature of Ontario Debates

ESTIMATES, MINISTRY OF COMMUNITY AND SOCIAL SERVICES

Standing Social Development Committee
Chairman: Mr. R. G. Hodgson

OFFICIAL REPORT — DAILY EDITION

Fifth Session of the Twenty-Ninth Legislature

Thursday, May 8, 1975

Afternoon Session

Speaker: Honourable Russell Daniel Rowe
Clerk: Roderick Lewis, QC

THE QUEEN'S PRINTER
PARLIAMENT BUILDINGS, TORONTO
1975



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Daily index of proceedings appears at the back of this issue. Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff (Phone: 965-2159).

LEGISLATIVE ASSEMBLY OF ONTARIO

THURSDAY, MAY 8, 1975

The committee met at 3:20 o'clock, p.m.

ESTIMATES, MINISTRY OF COMMUNITY AND SOCIAL SERVICES (continued)

Mr. Chairman: We will bring the meeting to order.

On vote 2602:

Mr. R. Haggerty (Welland South): Thank you, Mr. Chairman. I want to thank the minister for his statement today in the House that provided additional assistance to those persons in need. He must have received the message from my colleague the member for Nipissing (Mr. R. S. Smith). I guess these are things my colleague had suggested in the leadoff speech, so that I do sense a feeling the opposition do get through to the minister at times.

Mrs. M. Campbell (St. George): In an election year.

Mr. Haggerty: In an election year.

Hon. R. Brunelle (Minister of Community and Social Services): Mr. Chairman, I don't want to interject, but I must say that our income security review staff had been working for several months on these incentives and adjustments. I am pleased to hear the hon. member say that we have their support.

Mr. Haggerty: I believe you indicated in your speech it was two years in the working. Sometimes 24 months is a bit behind times.

Mr. R. S. Smith (Nipissing): What your staff recommend and what you do are often two different things.

Mr. Chairman: Continue, Mr. Haggerty.

Mr. Haggerty: Perhaps that's the topic I want to discuss.

Hon. Mr. Brunelle: I don't know what you are inferring but my staff and I are in perfect agreement.

Mr. R. S. Smith: Dealing on this.

Hon. Mr. Brunelle: Dealing with this and on practically most matters.

Mrs. Campbell: On day care too.

Hon. Mr. Brunelle: We are in agreement on day care.

Mr. Haggerty: Dealing with your announcement in the House today and with the federal-provincial conferences you have had in the past three or four years, particularly within the last two or three months, the group I was concerned about—which you didn't have in your statement today—is working fathers or working mothers receiving general welfare under the Family Benefits Act. You have indicated something small in this area, but you haven't indicated just what they can earn. I think you should be spelling this out.

The programme I have before me, dealing with the conference, says:

I propose, first, the transformation of our provincial social assistance plans into income and employment plans; and, second, the development of work incentive measures designed to reinforce incentives for those whose wages are too low to provide for their family's needs and for those currently on social assistance.

Hon. Mr. Brunelle: Are you referring to my statement?

Mr. Haggerty: I am referring to the federal minister's statement. This apparently has derived from your conferences held in the past couple of months.

Would you like to go into more detail on it? Tell us what plan you have in programmes to assist those persons you want to get off the welfare rolls and provide with some assistance, say in low income areas or those earning low wages?

Hon. Mr. Brunelle: My statement today, Mr. Chairman, applies to all recipients on family benefits, regardless of whether they're male or female. With reference to my statement in my opening remarks, about the income security review with the federal government and the provinces, are you referring to this whole area of a basic guaranteed income with two components—support programme and wage supplementation?

Mr. Haggerty: That's right. I'm trying to pick between the lines as to what you two gentlemen have in mind.

Hon. Mr. Brunelle: We two gentlemen?

Mr. Haggerty: To both ministers, the federal ministry and your own ministry.

Hon. Mr. Brunelle: We're in complete agreement about providing a basic income to those who are unable to work due to age or disability, as well as to those such as single mothers, mothers with children; as well as those unable to find work and for the large number of persons who are low wage earners. It will take about two years before this can be brought about. This is income supplementation, incentives to provide additional assistance to low wage earners.

Mr. Haggerty: Why should it take that long to implement such a scheme? You've been discussing this for the last three or four years with the federal minister.

Hon. Mr. Brunelle: It's a very complex matter, Mr. Chairman, this question of wage supplementation. As the hon. member knows, we have at present, three municipalities looking into pilot projects in this important area which will give us additional information. It's one on which all the provinces, as well as the federal government, feel very strongly that we need considerably more information as to the design of this scheme. It will involve millions of dollars. It's not an easy question to resolve.

Mr. Haggerty: Look at the programmes the province has available now to assist certain persons in seeking employment; you have LIP programmes and some new Venture programmes. Surely we should find the time to implement a programme that's going to be permanent.

Hon. Mr. Brunelle: As members are probably aware, we have several work activity projects in the province in areas where there is unemployment. These are programmes within the municipalities that are shared by the federal, provincial and municipal levels.

Mr. Haggerty: But they're only on a part-time basis. Surely persons in need, and particularly the persons we're dealing with, will perhaps never get off the welfare rolls unless we have a programme similar to what we're discussing at present. I think there are projects that can be permanent in our society that would create the employment.

It has been mentioned by other committee members that for a person receiving assistance under the Family Benefits Act or due to being

unemployed and on the welfare rolls, jobs can be made readily available that would assist them; these could be provided with supplementary assistance from your ministry and from the federal government through the Canada Assistance Plan. It should be possible to create jobs. I can think of many places where you could start; for instance with the railroads in the Province of Ontario, where they could clean up the property at the grade crossings and things like that that have been neglected for 20 or 25 years. There are many places where these persons could be used as environmental persons. They could go in and clean up the countryside. If you travel the highways like I do you'll see the tallest and strongest looking fellows picking up trash. Surely we can use persons with some slight disability for that purpose.

Hon. Mr. Brunelle: I think everyone is agreed that we should do everything possible to provide employment to those who are employable. That is why the federal government, again in conjunction with the provinces, is looking into this community employment project as sort of a last resort. We should do everything to try and encourage industries to provide incentives, but as a last resort we should have community employment projects.

Mr. E. W. Martel (Sudbury East): Incentives be damned. All the Tories understand is incentives.

Mr. Chairman: Order, please.

Hon. Mr. Brunelle: But this whole question is not only under our ministry. When it comes to creating a favourable economic climate and trying to provide employment, we do our best, but it involves much more than this ministry, as the hon. member can appreciate. There is the Ministry of Labour; there is the Ministry of Treasury, Economics and Intergovernmental Affairs; the Ministry of Industry and Tourism.

Mr. Haggerty: It is a good thing we have all those different branches we can gloss it off on.

Hon. Mr. Brunelle: No, it is not a question—

Mr. Haggerty: This is what you are doing, isn't it? There is a need for this type of development programme in Ontario and throughout Canada, yet nobody seems to move in that direction. This has been discussed in working papers over the last seven or eight years.

Mr. Martel: Kick the federal government right in the head.

Mr. Haggerty: The federal government is just as responsible as the ministry here is. I

think it is time you stopped fooling around and got on with a programme that will provide this.

I get sick and tired of going through the province hearing one part of our society saying: "It is time we cut off here. We are giving too much of a handout to these persons." In a sense they may be right; there is no need to give them a handout if you can provide the jobs.

Often I sit back and think of my days on council when the provincial and federal governments said: "What can you fellows do back there?" They wanted us to pick up all the cost. Surely there are programmes that can be made available to create the jobs there; but not on a part-time basis.

I think of the winter works programme. There used to be excellent programmes in the community I served; we used to get the roadsides cleaned up. There is no reason why it can't be done today on a permanent basis, providing full-time employment for those persons.

I don't want to see a person get any more of a handout than anybody else, but I think there is a place for decent employment. Somebody has to clean up the countryside; because I tell you this, our countryside is one hell-of-a-looking mess. Just travel the railroads; look in your own backyards; you can see it.

We had a programme here a few years ago where we were going to clean up all the junk cars that lay around the communities. I forget what that report said, I forget how many thousands. There was a study implemented by the Minister of the Environment. We were going to have that cleaned up, but you can still see the cars piled along the roadsides throughout every community in Ontario.

Mr. E. M. Havrot (Timiskaming): I have a programme in my riding.

Mr. Haggerty: Yet there is some resale value in the waste that is in these automobiles. There are jobs that can be created too.

There are some good LIP programmes, there is no doubt about it and there are some good provincial programmes; but I can think of vast areas where with major improvements we can give these persons the employment they want.

Hon. Mr. Brunelle: Again I would like to say we are entirely in agreement, Mr. Chairman, with the hon. member's views that everything should be done to provide employment for those who can work.

The federal Minister of Manpower and Immigration does attend our federal-provincial income security review at times, and there is

no doubt a community employment programme would serve the purpose to which you are referring—cleaning the environment—when industry is unable to provide employment. We are very interested, but it's not the main thrust of our ministry. Sure we are interested in providing the training, rehabilitation and so forth when it comes to creating employment.

Mr. Martel: When did that happen?

Hon. Mr. Brunelle: Today; I hope you were listening.

Mr. Martel: I was listening.

Mr. Haggerty: But many of these persons now receiving some form of assistance, through your programmes and the federal system, will never be gainfully employed in any industry in Ontario. They may have some degree of disability; they have been marked; "We won't accept you due to medical reasons." These are the persons who could use a permanent job. I am sure that jobs could be made available in Ontario without putting them on the welfare rolls. They may need some assistance but I think they still have some dignity. They want to be employed and that is the most important thing; this is what I am saying.

I have seen this continue year after year and yet we don't seem to move to create that type of employment atmosphere in Ontario.

Hon. Mr. Brunelle: Well generally speaking, Ontario has been rather fortunate. The unemployment rate was quite low, except for this year due to the slowdown in the economy. I think it was general. Ontario being an industrial province was probably quite seriously affected in the automobile and other industries.

For instance in northern Ontario, in my area, employment has been quite good. The forest industries have been stable; the mining industry has been stable. Certain parts of the province, I realize, have been more severely affected than others.

Mr. Martel: After 4,000 people moved out of Sudbury we were in good shape too.

Mr. Haggerty: In your announcement today you mentioned something about a certain amount of income that could be earned by working mothers.

Hon. Mr. Brunelle: Yes.

Mr. Haggerty: Just what would that mean? You've suggested a family of, let's say, three with a mother would receive \$431 with the increase today. How much more are they allowed to earn above that?

Hon. Mr. Brunelle: What I announced today, Mr. Chairman, dealt mainly with those under family benefits who are part-time workers. The incentives I announced today were for those who wish to get into the work force.

On the part-time ones, I mentioned the earned income would be averaged over a three-month period. I believe it is a recommendation many of the members supported. I also mentioned there would be work expenses up to \$35, for transportation and clothing. These are expenses persons incur on part-time work. Also, I mentioned incentives for full-time employment; cash benefits, payable under family benefits which will phase out during the first three months of the full-time employment. The second incentive was that OHIP, drugs, dental, etc.—

Mr. Haggerty: Yes, I see that.

Hon. Mr. Brunelle: These would continue for that three-month period. One of the problems is that often the persons are hesitant to leave their benefits because it's difficult to get into the programme if due to illness or other reasons they have to leave their employment again. We are making it easier. There will be faster re-entry under family benefits if for some reason they are unable to continue in the work force. Those are the three main incentives for the full-time worker.

Mr. Martel: Mr. Chairman, on a point of order. We made an agreement on Wednesday or Tuesday last that the minister would speak to GAINS to clean it up.

Mr. Chairman: We are speaking to 2602.

Mr. Martel: My understanding was we were going to speak to GAINS and clear it up; now if that's wrong, that's fine, I don't mind.

Mr. Chairman: We are speaking to vote 2602.

Mr. Martel: Fine.

Mr. Chairman: I believe Mr. Haggerty is fairly well on it.

Mr. Martel: You can interpret it any way you want. If you want to go back to Hansard, Mr. Chairman, that's fine.

Mr. Haggerty: I'm sure, regardless of what it is, you can class it as a guaranteed annual income, even with the \$431. I've known many cases where working mothers have gone back to school trying to establish themselves in a better paying position. I find that after they've gone to school, they come back out and would sooner remain under family benefits or under

welfare, because the wages in particular areas are not that high. That's what I'm concerned about.

You mentioned additional supplement. It has been mentioned before, they would be allowed to earn about \$100 a month; is that correct?

Hon. Mr. Brunelle: Yes.

Mr. Haggerty: Will they still be able to continue to earn \$100 a month or are you going to change that now because you've increased it?

Hon. Mr. Brunelle: They will still be able to. The ceilings on earning income up to \$200 will continue; and in addition, as was mentioned they are allowed up to \$35 for work expenses.

Mr. Haggerty: To go back to what my colleague from Sudbury has mentioned about the GAINS programme, why didn't you make a change in that section dealing with the 1974 handbook? You are dealing with family benefits where you've got the terminology for temporarily unemployable and permanently unemployable; and then those that are totally disabled. Why didn't you have that clarified?

Hon. Mr. Brunelle: We are working on that right now, Mr. Chairman.

Mr. Haggerty: Working on it right now?

Hon. Mr. Brunelle: I think the member will appreciate that we are broadening the definition, but it's something that cannot be done overnight.

Mr. Chairman: Besides, Mr. Haggerty, I think that's slightly repetitious, we dealt extensively with this.

Mr. Haggerty: I know, but I thought perhaps he would include it in his statement today.

The other matter I wanted to discuss concerns persons over 65 who are receiving the free drug programme. I was just wondering if there is any other way you can work out a programme in regard to what drug store a person goes to ensure they will honour that commitment from the province.

I know a particular community where there are two druggists who will have nothing to do with any one under the provincial scheme. When people have to drive 10 or 15 miles to another drug store it puts undue hardship on those persons. Is there any way you can issue a drug card with the forms already completed so they just walk in and say: "Look, here it is; sign it"? Then they pay for it themselves and send it in, and bill the province for it.

Hon. Mr. Brunelle: Mr. Chairman, the drug plan is administered under the Ministry of Health. My understanding is there is a drug card that goes out with family benefits for each month.

There have been improvements in the drug plan. As you know it was only introduced last summer. There have been a substantial number of drugs added. It is always under review.

Mr. Haggerty: Some of the druggists don't have to participate in the scheme.

Mr. Martel: Six anyway.

Mr. Haggerty: This is what causes the hardship. The person receiving the benefits has to travel 15 or 20 miles to another drug store and has no way of getting there and back. The excuse from the pharmacist is the paperwork involved.

Under the OHIP scheme, if a doctor is not participating you pay directly to him and it is billed back to the province. Is there some way you could work this same approach with those persons receiving assistance which you are paying for in the long run?

Hon. Mr. Brunelle: Mr. Chairman, I had quite a few complaints earlier but I have had very few in the last few months. I have brought them to the attention of the Minister of Health (Mr. Miller). If the hon. member has any specific cases where some of his people are experiencing hardships I would be pleased to look into them. The plan has been in operation nearly a year and it is working quite well.

Mr. Haggerty: But there are communities—I am thinking particularly of Ridgeway, Ontario, that has two drugstores and neither will participate.

Hon. Mr. Brunelle: They will not participate?

Mr. Haggerty: No, they will not. They don't want anything to do with it. Elderly persons there who need the drugs—

Hon. Mr. Brunelle: What are the reasons they will not participate?

Mr. Haggerty: They just said: "We don't have to; we are not going to. It is the paperwork involved."

Hon. Mr. Brunelle: I would be pleased to look into this. It is not administered under the Ministry of Community and Social Services but under the Ministry of Health.

Mr. Haggerty: This is right. But I have written letters to the minister and he says they don't have to participate in the scheme and

that's it. If they don't want them as customers that is too bad. Let them go someplace else.

Mr. Chairman: It is not a mandatory programme.

Mr. Haggerty: That's right. Perhaps you should be working it as they do under the Ontario Health Insurance Plan. If the doctor doesn't want to participate you pay the doctor directly with cash, get a receipt and send it to the province for payment.

Mr. R. S. Smith: Yes, but there are three classes of benefits; first class, second class and third.

Mr. J. G. Anderson (Assistant Deputy Minister, Programme Delivery). Mr. Chairman, without trying not to deal with Mr. Haggerty's question, I think the real crux of this matter should be with the Ministry of Health. The whole of the drug programme is administered by the Ministry of Health for the GAINS beneficiaries; all the regulations and the agreements with the pharmacies and the pharmacists' associations are made through the Ministry of Health. This ministry is now a participant only, in the sense that we issue the cards to our recipients. So any changes in the type of coverage or in the negotiations with the pharmacists would have to be made through the Ministry of Health.

Mr. Haggerty: I will follow that through in the Ministry of Health estimates, but I thought I would bring it to your attention that there is a problem.

Mr. S. Lewis (Scarborough West): Mr. Chairman, can I beg the indulgence of members; to be at a meeting at 4 o'clock. I only have five minutes and I want to take—

Mr. Chairman: Does the committee agree to let Mr. Lewis speak?

Mr. Lewis: I was speaking at the end of the session last Tuesday night.

Mr. J. Lane (Algoma-Manitoulin): By all means.

Mr. Chairman: We had to start whether you are here or not.

Mr. Lewis: I understand.

Mr. Chairman: Is it agreeable to let Mr. Lewis speak at this time?

Mr. R. G. Eaton (Middlesex South): I wouldn't do that.

Mr. Chairman: Okay.

Mr. Lewis: I want to make one final point, because it is so vivid. I want to read the letters to which I referred briefly the other night; a letter signed by William G. Smith, Director of Provincial Benefits.

One is dated April 16, 1975; it is to a Miss R for the moment—I'm not sure I can use her name—in Downsview. It reads:

Dear Miss R:

Our reference GAINS [so and so]

I am pleased to advise that you are eligible for an allowance under the Family Benefits Act as extended by the Guaranteed Annual Income System. A cheque will be issued regularly, subject to any change in circumstances. The statement below will indicate the amount of your allowance. Should further information be required, I am sure your field worker will be available to explain.

The basic allowance is \$230.50; the entitlement is \$230.50; the cheque amount is \$230.50.

Someone who, I may say, quite legitimately has been seen as disabled and eligible for the GAINS programme on April 16, 1975. On April 18, 1975, from William G. Smith, Director, Provincial Benefits:

Dear Miss R:

Our reference FBA [and so on].

I wish to advise that your allowance under the Family Benefits Act has been adjusted in light of the change in circumstances. The statement below will indicate the new amount of the allowance and reasons for the adjustment. Should further information be required please consult your field worker who will be available to explain. Your basic allowance is \$170; entitlement is \$170; cheque amount \$170. Transfer from GAINS to FBA.

Miss R must be reeling from the rapidity of the transfers in this remarkable organization which is run under the Ministry of Community and Social Services. The change in circumstances that occurred in the 48 hours between April 16 and April 18 are doubtless supernatural, since they lowered her entitlement by \$60.50 a month.

I don't doubt for a moment, Mr. Minister, that it's a mistake. I understand. These things occur. It's like leaving off the box to provide the check mark when applying for disability or for a permanently unemployable person off the form.

The doctor of Miss R, for the interest of the committee, says that she suffers from a rare illness, cause unknown, therapy unspecific. When not in periods of remission, the condi-

tion is extremely painful and totally disabling. When in remission she may be able to work, but may not last more than a week or so before the painful condition comes on again. FBA have already said she is unemployable. She is unemployable because she is disabled, said the doctor, in no uncertain terms. A fairly logical cause-and-effect relationship.

Here's a woman, who is classed as permanently unemployable. She gets a letter saying: "You are eligible for GAINS"; and two days later is returned to permanent unemployability.

I raise it not simply because of the trauma for the woman, I say to you Mr. Minister, this kind of thing will continue to occur so long as the illegitimate distinction between permanently unemployable and disabled continues to exist. There will be the mistakes. There will be the confusions. There will be the trauma. There will be the problems. It will happen invariably, because the distinction isn't real.

As a matter of fact, if I take issue with Mr. Smith at all in terms of what he said last Tuesday night, it would be this: I think there are probably five per cent or 10 per cent of the 7,300 people left who could be classified as permanently unemployable in the way in which it was described; but not disabled, either physically or mentally, in the way in which it was described.

But as I sit here, I tell you, I'm persuaded that 90 per cent—the rest of them—should be classified as physically disabled and eligible for GAINS. And that should be done as quickly as possible—whether it's a broadening of the definition as you indicated in the House today; whether it's a scrupulous reappraisal of every one of the 7,300; or whether there's some way of regrouping—because this kind of situation, this extraordinary situation, is really indefensible; and it need not happen.

Hon. Mr. Brunelle: Mr. Chairman, I'd like to say a word.

I'm not familiar with that particular case, but I would like to say this: To be eligible for assistance under Family Benefits there is a needs test and there is a test for liquid assets. A person could be under the GAINS programme, and if they inherit a certain sum of money—they're only allowed \$1,500—then they become ineligible. So I mention the needs testing which is a part of these regulations, and which is a federal-provincial agreement.

As I said, I don't know the circumstances of that particular case. I don't know if it was a medical reason—

Mr. Lewis: I don't think we need to quibble about it. Before April 16, this woman was classified as permanently unemployable and

given a Family Benefits Allowance of approximately \$170. She then got the letter saying, "We have in effect re-examined and you are now eligible for GAINS" Two days later, she reverted to permanently unemployable.

Another thing that is nuts, just crazy; and it happens because of the endless confusion over how you categorize people when your categories make no sense and your definitions cannot be sustained except by twisting the English language.

As I told you the other night, one gets weary of individual cases and weary of making examples. It will be easy for you, because I have to run and you don't have to be subjected to this for today until my colleague from Sudbury East illuminates all the cases he wants to bring to your attention. But, Mr. Minister, this is classic example of why it is important for the 7,300 people who are left that you somehow move on it quickly. If it can be done by a broadened definition—I think you said that very explicitly in the committee and in the House?

Hon. Mr. Brunelle: That's right.

Mr. Lewis: Fine, bless you, no problems. No one is going to fight with you. A broad definition will make the transfer.

But do make the transfer, because as long as you don't make it this kind of human problem occurs. It's extremely painful for the isolated individuals, almost all of whom are disabled and therefore very vulnerable emotionally; and very anxious when the government constantly shifts them back and forth or won't recognize their disability.

Mr. Chairman: Mr. Lewis, would you make sure the ministry has firmed up on that case so they can investigate it?

Mr. Lewis: Of course.

Mr. Martel: My turn?

Mr. Chairman: No it isn't, Mr. Martel, it happens to be Mrs. Campbell's.

Mrs. Campbell: Thank you Mr. Chairman. I believe the minister said before that there would be a review of all of these cases that were turned down. I think there are two categories; and perhaps we tended to mix up the two categories.

I believe a great many of these people, having in mind the cases that I have brought to your attention, are indeed disabled, and I think it would be advisable to get that straightened out first. I recognize there may be people who are considered to be permanently unemployable, who had no disability other than

perhaps age, who are not yet 65. They're in that never-never land. That may be a possibility, but it seems to me that from the cases I have had, very explicit ones of which the minister is well aware, these are cases where they have in fact been disabled and have been put on GAINS.

What worries me terribly is the fact that I get these cases, I get them to you; and the decision is reversed. What bothers me—and I'm sure I'm not alone—is that there are many people, perhaps in that 7,300, who don't get to anybody. They don't know who to go to and therefore are relegated to this other role simply because they haven't a spokesman.

I don't think that should happen in this province. A person who is disabled should be getting the same treatment as any other permanently disabled person. It shouldn't require members of the Legislature to bring pressures in order to ensure they get their rights.

Mr. Chairman: Mrs. Campbell, that's part of the reason parliament sits. It's redress of grievance, and it's the member's entitlement to bring a case like that to attention.

Mrs. Campbell: I agree it is an entitlement, but when we hear from Mr. Lewis, from the member for Nipissing, the member for Sudbury East, from the member for St. George, and I am sure others on these cases; obviously it isn't just exceptional cases, I think it is large and significant in numbers.

I am not objecting to bringing the case to the attention of the minister. I never have objected. What I am saying is it shouldn't be necessary in such quantity if the system were functioning adequately.

I would like to say too that I am concerned about the fact that the social worker has input to this Medical Advisory Board. A social worker can go unchallenged, because the person about whom deliberation is taking place is not there to correct statements of the social worker. Let me give you an example of one case that I have. I spoke to Mr. Anderson about it, and I think he is correct. I don't care who the social worker is, whether it is Metropolitan Toronto or the province, there are occasions when the social worker and the recipient—if that's still the fashionable word—are not ad idem. They have clashes of one kind and another.

I drew to his attention a case which may or may not have been provincial, the case of a black woman in my riding who had had a leg amputated. It was thought she might become too dependent on Homemakers Service, therefore, they shouldn't get involved with it. I tried

to figure out for myself how I would handle cleaning in my home with one leg amputated.

That may be an extreme case, but it is the kind of thing that can happen. I would suggest, Mr. Minister, that if you are going to bring in outside evaluations about a person, apart from the strictly medical, that the person himself or herself should have a right to be heard as to whether or not the statements of the social worker are correct in fact.

I recognize your desire to be fair in these things, but I think it leaves the door open to great disparity in the kinds of assessment which a lay person, in terms of medical background, would be making about another human being. I am not convinced in my own mind this is equitable to the person.

Maybe in many cases the social worker is there to help the recipient, but I don't know how many cases there may be where they aren't there to help the recipient. It may well be that in some of these cases I have given to you the social worker has described the conditions in the home, with the person seeming to be able to manage very well on their own, when in fact they are managing by hook or by crook because they haven't any alternative.

I am really not very happy to have that kind of investigation of a medical situation by a non-medical person going on. I would ask you when you will be prepared to review all these 7,300; and how soon are you going to undertake to strengthen this Medical Advisory Board if it is going to continue that route? And could you give to this legislature the results, the successes if we may call them that, among those persons who in fact are permanently disabled?

May I be permitted to address some remarks to the statement the minister made today?

Mr. Chairman: Vote 2602 is what we are discussing.

Mrs. Campbell: Mr. Chairman, one of the things I would like to know from the minister concerns the mechanics of making this new policy work. Often I have been very interested in new policy statements of this government, which on analysis often have not had the planning behind them to make them work. Let me give some examples.

In the case of the three-month period where you continue drug, dental and OHIP coverage, what is the position vis-à-vis daycare costs for that three-month period? Are the mothers supplemented for that period as though they were continuing on assistance? That isn't covered in the statement.

I would think it would be detrimental to your programme if mothers aren't covered for

that service during the three-month period, because it's a very expensive service to pay on your own.

Will special assistance for back-to-school allowances be automatic to anyone now on your roll? Will it have to be applied for? I wouldn't need to ask if the government would advertise this programme. Will it be automatic?

Mr. Martel: They won't advertise that one.

Mrs. Campbell: I think they will, but will it be an automatic allowance?

Mr. Martel: Somebody might pick up the money.

Mr. Chairman: Please don't interrupt Mrs. Campbell, Mr. Martel.

Mr. Martel: You are just looking for an argument.

Mrs. Campbell: On the question of the cost of eyeglasses and hearing aids—

Mr. Chairman: It disrupts the person who is making a statement.

Mr. Martel: Don't come with that nonsense. If you are looking for a confrontation, you are going to get it.

Mr. D. J. Wiseman (Lanark): Did you take those nasty pills today?

Mr. Martel: Just took it too; and it's already starting to work.

Interjections by hon. members.

Mr. Chairman: Mrs. Campbell, proceed.

Mrs. Campbell: Thank you, Mr. Chairman. May I know what the mechanics are of assuming that responsibility; how immediate it is? What provision would there be against gaps in this service on the assumption of responsibility from the municipalities?

In the matter of the averaging over a three-month period, I take it that at least over that period of time, so long as they don't go over the amount allowed, they will still have full benefits for that period; that is they don't go over the full \$300 in a three-month period. I take it that what you're saying is they could earn \$300 in one month as long as they don't earn anything more in the next two.

What kinds of checks and balances are you going to put these people through to ensure that you have your artful dodgers watching them to see they don't transgress?

There still isn't any provision in this programme for permitting mothers to upgrade

their skills to enable them to get into the incentive programme in a meaningful way. Is it deliberately left out or could one hope that perhaps it was just overlooked in the general remarks?

These are some of the problems. The phasing out of cash benefits during the first three months of full employment causes me some concern. I have always felt we should give a period of time to get someone adjusted to the work force. What kind of phasing out do you have in mind during the first three months of full-time employment? On what basis will this be determined?

I just have a deep concern that actually those women who are looking after families are probably not going to benefit as much as appears on the surface. We couldn't answer today the question as to what the OHC would do about their rents if they get any additional allowance at all. We certainly realize that elderly people have had some problems, but at least you tried to protect them in Ontario Housing.

I'm aware the minister didn't know the answer to that when we discussed the GAINS programme at the last estimates. If he recalls, they came into effect in the middle of the estimates and he didn't really have the answers and didn't get them.

What are the answers? Surely this time, in announcing any increase, one would be well aware of what the OHC position would be vis-à-vis the rents. What is going to happen with your programme if people are working and still receive some supplement? Are they going to be paying most of it out in increased rentals? How much benefit are they going to get?

I regret that I'm being rather cynical about it, because I don't personally think the minister is a cynical person. The other programmes that have been announced have been so badly planned in advance that I feel the need to bring this to his attention. I am not going to take any more time with this vote, since I'm only a substitute to the committee; but I certainly would like an answer.

Mr. Chairman: You're a member of the committee today, Mrs. Campbell. Mr. Minister, would you like to reply to some of the questions from Mrs. Campbell?

Hon. Mr. Brunelle: I would like to make replies to Mrs. Campbell. As to the effective dates of the programmes that were announced today, the Family Benefits was May 1; the additional assistance under the General Welfare Act will be June 1. You can appreciate there has to be some lead time.

As far as the incentives and the supplementary proposals go, we will act as soon as possible. You can appreciate there is a fair amount of administration. It will be no later than July 1 and it could even be before. But we have to implement the regulations for these.

As far as the back-to-school allowances are concerned, this will be automatic. These will be provided for families under Family Benefits where there are children.

You referred to the earnings exemptions which will be averaged over a three-month period instead of one month. The total amount, as you know, has not been raised for a family. It's still \$100.

Mrs. Campbell: I'm aware of that.

Hon. Mr. Brunelle: If a person earns, say, \$300 in—

Mrs. Campbell: In one month?

Hon. Mr. Brunelle: —one month and doesn't earn anything for the next two months, he will not be penalized, in a sense. There will be no reductions; that \$300 will remain.

Mrs. Campbell: But what will they be put through, if they earn the \$300 in the first month, by having people watching them for the next two months to ensure they don't earn anything more?

Hon. Mr. Brunelle: I don't see any problems in this.

Mrs. Campbell: I take it you are simply going to take their word for the fact that they haven't earned anything in the next two months?

Hon. Mr. Brunelle: Yes, and this will be made clear to them.

Mrs. Campbell: I'm delighted to hear that.

Hon. Mr. Brunelle: We will also make them aware to let us know—the social workers call on them periodically—if there are any changes in their circumstances. I think the great majority do this.

Mrs. Campbell: Could I know about day care?

Hon. Mr. Brunelle: Yes, I missed your point there on day care.

Mrs. Campbell: On page five of the statement, if I may, you have pointed out that the province will also continue drug, dental and OHIP coverage during the first three months

of full-time employment, as I read this statement.

Hon. Mr. Brunelle: Yes.

Mrs. Campbell: I'm asking you if you are adding to that that they will have the privilege of continuing children in day care under the circumstances which entitle them to drug, dental and OHIP coverage for that same three-month period? In other words, are they going to have to pay for day care for children during those three months? I would suggest it mightn't be such a hot incentive to them if they have several children and they suddenly have to start paying the full \$31 a week, or whatever it is per child.

Hon. Mr. Brunelle: Yes.

Mrs. Campbell: And that isn't covered here.

Hon. Mr. Brunelle: It is a good question.

Mrs. Campbell: I'd like an answer.

Hon. Mr. Brunelle: I doubt very much if mothers on family benefits would need to pay day care, but it is maybe something we could add. Is this a problem, the day care?

Mr. Anderson: Mr. Chairman, to answer that question, the day care is provided by the municipalities under their jurisdiction, under their discretion. But unless the mother were to emerge from family benefits into a reasonably high-paying job immediately, it's most unlikely that a daycare needs-testing programme would involve much of a payment on their part.

In the municipal structure the vast majority of the working mothers pay little or no contribution, and even that contribution in the case of some municipalities is one that is not always warranted by the needs test. There is some question about mothers even paying token amounts in some municipalities, although this has been a practice.

So that by measurement under the needs testing, it's most unlikely that any mother would be required to pay for her day care if it were available. This again is something the province can't guarantee throughout the family benefits programme, that any given municipality will have day care immediately available for the woman going back into the work force. If it is subsidized, if there is a daycare programme at the municipal level, then in all likelihood she would not be required to pay for it except for the token amount.

Again, I have to stress that there could be a situation where the mother went from family benefits into a reasonably high-paying job

which moved her into a category where she would be required to contribute, and that's not a usual circumstance.

Mrs. Campbell: I guess what I'm saying to you is, was there no effort to work out with the municipalities some very real position on this three-month basis so that the mothers might not be reassessed for purposes of payment when they are exempted for drug, dental and OHIP coverage? One of the things that I find to be totally illogical—I must be wrong, because gentlemen are the logical ones in our society—is that when you get people on unemployment insurance the reason they get unemployment insurance is because they are out of work and they are seeking work, and yet those people are not covered for any subsidies under day care. So if that's an incentive to people to get out and look for a job, I don't know, but it doesn't strike me as useful. I think this has been overlooked here. I think it should be, with respect, taken up with the municipalities to ensure that during that period, they can get on their feet.

Hon. Mr. Brunelle: On that point, Mr. Chairman, we would be pleased to review this within our own ministry and to take it up with the local municipalities. With reference to shelter, Mrs. Campbell, under our increased rates we now pay up a maximum of \$130 for a family of two, plus \$5 for children. So, as far as those who are—

Mr. Chairman: Per child, or children?

Hon. Mr. Brunelle: Per child. Under our family benefits, I don't believe there is any problem for those who are in Ontario Housing. The rent under Ontario Housing is certainly less than our maximum. We pay whatever the actual shelter cost is, so I don't believe that this is a problem.

Mrs. Campbell: The other point is that they're going to get some special treatment if they have to come back into family benefits within a year. Why would it be just within the year?

Hon. Mr. Brunelle: I think there has to be a limitation on time, and to me a year is a reasonable length of time.

Mrs. Campbell: If they are working and they become ill, or they have a loss of employment—these are the two for-instances given on page 6—wouldn't that apply at a year and a half or two years, as much as within a year? Or would they then be placed back on municipal assistance to go through the treadmill back up to family benefits?

Mr. Anderson: Well, Mr. Chairman, I think it is just a question of how long a person's file is considered to be an active file and at what point their circumstances may have changed enough where a total reapplication is required.

The purpose of this, as you have pointed out, Mrs. Campbell, is to see to it that the family does not need to be in contact with the municipality at any time during that year.

Beyond the year, in all likelihood the file would be considered to be dead file. The circumstances in the home might have changed radically, so that a new application would be in order. Other than that, people having once been on family benefits would all automatically never go back to municipal assistance again in these situations. We're suggesting that the file be kept open and, although dormant, reasonably active in the sense of their eligibility for a one-year period.

After that, they would have had immediate access to assistance if they needed it, but through the municipality while their documentation was again proceeding. As you have pointed out, there is no magic position in one year—except that it is an extended time to keep dormant files immediately available.

Mrs. Campbell: I think the only question that remains is: What are we talking about in phasing out cash benefits? What is the formula to be applied?

Hon. Mr. Brunelle: Phasing out of cash benefits?

Mrs. Campbell: Cash benefits payable under family benefits will phase out during the first three months of full employment. What is the formula under which they are phased out?

Hon. Mr. Brunelle: Which page are you reading from, Mrs. Campbell?

Mrs. Campbell: Page 5, the third paragraph from the top, or the second from the bottom.

Hon. Mr. Brunelle: It's \$100, \$75 and \$50.

Mrs. Campbell: So that we don't in any way relate the phasing out to the work they are doing?

Hon. Mr. Brunelle: Well, these are persons who will be working, and so this is in addition to their earnings.

Mrs. Campbell: Yes, I recognize that. I am just saying, though, if you are phasing out on 175 or whatever—

Hon. Mr. Brunelle: It's 150.

Mrs. Campbell: Yes, 150, shouldn't there be some relationship, if you want to encourage them back into the work force, between the kind of return they get and the work they do and what they would get if they didn't work at all.

Hon. Mr. Brunelle: I think this is a fairly good formula.

Mrs. Campbell: I appreciate that you're making the step. I must say that to you, in all honesty. It bothers me a little if all you can get is a very poor low-paying job and many will be in that category. If they know that at the end of three-month they are going to pick up drug, dental, OHIP and maybe day care—I don't know—where is the real incentive in that arrangement unless you relate it to the kind of yield they get from the job they take?

Hon. Mr. Brunelle: I think, to me, it's a relatively good formula. Like any formula it's certainly always under review but I think it does provide substantial incentives to get back into the work force.

Mrs. Campbell: If I may say this, Mr. Chairman, then I'll leave off: If you recognize the fact that people are reasonably protected under welfare from being pressured for debt, for all these other things, and they get off it and start to work—often I find the companies are more inclined to go after the wife for the collection of the common debt than they are the husband; perhaps that's because they can't find him and she is pretty visible. If you take that into consideration and you realize that she—if it's a mother-led family; it doesn't matter—this person is going to have to look ahead for three months and then pick up these costs which are already covered off. If the job is a pretty poor paying job, I have a concern about how much of an incentive it is.

Hon. Mr. Brunelle: Take the OHIP, Mrs. Campbell. As you know, many will not pay OHIP for maybe a year because they were not paying any income tax when they were under family benefits. Really the three-month period may be much longer than that.

Mrs. Campbell: I don't think OHIP is as significant as drug or dental. An awful lot of poor people have pretty heavy drug needs for the family. One of the things I found always was the people who made an effort to get off welfare, I felt, should have a medal because in so many cases the hardships were just inconceivable. The dental bills for kids are among the major things.

You are treating this as though everybody starts out even and in a lot of cases there is a

hiatus between the person dunning for bills. They find out you are on welfare but get back at you when you start to work. This is another reason why many times people can't face the financial cost of getting off welfare.

Mr. H. C. Parrott (Oxford): If I could interject, dental programmes, I think, should present no serious problem on the basis that if they knew the service was going to be discontinued they would likely get to the dentist and have all their work done. Therefore, really, we are talking about at least a year before they would be faced with other than emergency dental treatment. Do you follow my logic?

Mrs. Campbell: What would happen if, for instance, they had work that was ongoing? Do you just keep them out of the market until they complete it?

Mr. Martel: It is okay if it is a Tory who is interjecting.

Mr. Chairman: No, he was not interjecting, he was answering a question.

Mrs. Campbell: I think, Mr. Chairman, the member has expertise in the field and I welcome the assistance.

Mr. Chairman: I would ask any member to speak into the mike then, please.

Mr. Parrott: May I finish the response to the question?

Mr. Martel: Go ahead, be my guest. I have no objection. It's the stupidity of the man sitting in the chair.

An hon. member: Now wait a minute.

Mr. Chairman: Now, Mr. Martel, that's uncalled for.

Mr. Martel: It certainly isn't. You've played a little game since Monday Mr. Chairman. I've watched it all very carefully.

Mr. Chairman: I am not playing any games.

Mr. Martel: You have been playing games since Monday.

Mr. Chairman: How do you mean?

Mr. Martel: You've not allowed any other people to interject. When I have moved to cut in, you have said no.

Mr. Chairman: I have allowed you to interject.

Mr. Martel: You have said no time and time again. You did it yesterday. When Mr.—what's

his name?—the little fellow from Welland wanted to speak, you let him cut in.

Mr. Chairman: I didn't.

Mr. Martel: Just like that. You've just done it again. You can't play games. You either apply the rules consistently or leave the chair.

Mr. Chairman: Oh, I think that is a lot of nonsense. Mr. Martel, you are being completely unreasonable.

Mr. Parrott: Let's have a vote on whether he should leave the chair or not. Let's decide whether the chairman is fit or not.

Mr. Chairman: However, Mr. Parrott, we will wait until Mrs. Campbell is over and has had answers to her questions.

Mrs. Campbell: Mr. Chairman, I asked the member.

Mr. Parrott: Mr. Chairman, I ask the member for Sudbury East to withdraw that remark—

Mr. Martel: No I won't withdraw it.

Mr. Parrott: —and not be a spoiled kid. But if that's the attitude that he wants me to take, I shall not interject any expertise that I might or might not have until a suitable time.

Mr. Martel: I'm delighted to hear that.

Mr. Parrott: At that time, I probably won't be here. I think he's ruined the whole dialogue that Mrs. Campbell is trying to establish.

Mr. Martel: I just suggested the Chair should apply the rules consistently. That is all.

Mr. Chairman: Order, please.

Mr. Martel: If he wants to act like an adolescent as he sits in that chair, that's what strait-jackets the committee.

Mr. Chairman: Order, please.

Mr. Parrott: That lack of tolerance helps a great deal.

Mr. Martel: He has done it since Monday. Don't play the game.

Mrs. Campbell: I'm sorry I have caused such acrimony.

Mr. Parrott: I have been objected to several times.

Mrs. Campbell: I won't speak further on this matter at this time.

Mr. Chairman: Now it is Mr. Martel's enlightenment.

Mr. Martel: I want to make the point, Mr. Chairman, before I start, that you are making it difficult for everyone—

Mr. Chairman: I am not making it difficult.

Mr. Martel: —by your adolescent approach as you sit in that chair.

Mr. Chairman: So be it.

Mr. Martel: I have no objection to the expertise of the member for Oxford being brought forward when we are in a discussion. I just resent the opportunities that the chairman takes, at his determination, when he will cut in and when he won't cut in. For a free flow, I've always found these committees worked relatively freely and we got through the estimates. It is when the interjections and the intervention start that you are into problems.

Mr. Chairman: Let's look at the interjections.

Mr. Martel: Let me take it a little further.

Mr. Chairman: Let's look at my interjections.

Mr. Martel: I have the floor on a point of order. Let me continue.

Mr. Chairman: You look at the interjections.

Mr. Martel: We started last Tuesday evening with the member for St. George speaking.

Mr. Chairman: Right.

Mr. Martel: We then moved to Mr. Smith from Nipissing. We then moved to Mr. Lewis. We then moved today to Mr. Haggerty and we moved back to the member for St. George. Long before that, as the critic of the party, I had indicated my desire to speak.

Mr. Chairman: To whom?

Mr. Martel: To you.

Mr. Chairman: Yes, and I put you on the list and you are now on.

Mr. Martel: How did I get in behind the member for St. George? She led off.

Mr. Chairman: Because you indicated afterwards.

Mr. Martel: Don't give me that nonsense.

Mr. Chairman: You think you have special privileges.

Mr. O. F. Villeneuve (Glengary): Your leader asked for permission.

Mr. Martel: No, don't come here and grunt. I'm telling you I was here Tuesday night. You might have helped by being here.

Mr. Chairman: Nobody is going to satisfy you, Mr. Martel, because you are just being petulant.

Mr. Martel: Petulant?

Mr. Chairman: I'm giving you the floor. If you are not prepared to proceed, I will call upon somebody else.

Mr. Martel: You act like somebody in grade 9.

Mr. Chairman: Mr. Martel, you have the floor and I want you to proceed. If you do not wish to, I'll call on somebody else.

Mr. Martel: Don't rush me, Mr. Chairman.

Mr. Chairman: No, nobody can rush you.

Mr. Martel: You are making life miserable for everyone.

Mr. Chairman: Be sensible and reasonable.

Mr. Martel: I suggest, Mr. Chairman, you stop playing the games that you've been playing over and over again.

Mr. Chairman: You are out of order—

Mr. Martel: That's fine.

Mr. Chairman: —in those comments.

Mr. Martel: I don't think so. I've addressed them to you. You can take them for what they are worth. They happen to be factual.

Mr. F. Laughren (Nickel Belt): Hear, hear.

Mr. Chairman: I am glad you had one of your colleagues to support you.

Mr. Martel: I didn't expect a Tory would, even if he knew he was going against me when he knew he was wrong.

Mr. Chairman: Proceed with your comments, please. If not, I will have to give the floor to somebody else who is prepared to proceed.

Mr. Martel: You are going to prolong it much longer really than it would take.

Mr. Chairman: I will call the vote, Mr. Martel, if you are not prepared to proceed or if somebody else is not prepared to ask questions or examine the estimates.

Mr. Martel: We are prepared. We just want to tell the chairman of the way he's performing.

Mr. Chairman: Well, you can tell me any day of the week, but please don't take up the whole entire time of the committee.

Mr. Martel: You have taken it up—

Mr. Chairman: I have not.

Mr. Martel: —with continuous interjections.

Mr. Chairman: I have interjected when you are interrupting—

Mr. Martel: Why don't you interrupt the member for Oxford? I suggest that either you play the game consistently or you don't play it at all.

Mr. Chairman: Quit being a kid and be a grownup adult. Proceed, Mr. Martel, or I will call for somebody else to have the floor. If you're not prepared to proceed, I'll call the vote. Vote 2602 carried?

Mr. Martel: Have you got a bee in your bonnet?

Mr. Chairman: I will report you to the Speaker if you carry on this way.

Mr. Martel: You'll what?

Mr. Chairman: And he can examine the record.

Mr. Martel: Well, he sure can. I hope he goes right back to Monday when he does.

Mr. Chairman: Are you prepared to proceed?

Mr. Martel: To the minister. I want to talk first about one of several cases—let me see, from A to Q. "A" deals primarily with nine cases I've got in the last two weeks on disabled and unemployable. I'm not going to go into them in great detail, I'm just going to show the stupidity of what's going on, and I can't call it anything else but that. Mr. O.L., received the following letter and brought it to my office recently:

The medical advisory board has reviewed the medical evidence submitted in support of your application and has expressed the opinion that you can not be considered disabled or permanent unemployable.

Neither one.

This is the medical report from a Dr. Orr:

At present, I am investigating this man completely in more detail for stomach problem or heart problem. He presently suffers from back pain and leg pain but, I believe, mainly depression. He is, for these reasons, temporarily at least, unemployable.

He was rejected. That's the doctor's report, Dr. Orr.

Mr. V.H. came to me May 3. He's on Canada Pension. He gets \$124.16 a month from CPP because of arthritis. I went to the GAINS people and we got him \$13 a month for two months and it was subsequently discontinued. See, obviously, you were paying him a room and board allowance—you were giving him room and board because he was living with his mother—you wouldn't even give him the unemployable aspect, which might have given him \$170.

I've written this one up in the last two days again, but he's on Canada Pension and he gets the magnificent sum of \$124.16 to live on. When you go through Canada Pension, if you've got something like arthritis, they bring you to Toronto and you're seen by the doctors here. There's only one doctor in Sudbury who wants to look at it—one Dr. Stanion—and I don't think the rest do. He comes through a fairly substantial test, he's turned down and he doesn't even get the usual amount. He gets \$124 a month because he lives at home.

Miss M. is another case. Contrary again, Mr. Minister. I've picked out some points that you made the other night. You said, "Well, if the doctor's reports aren't acceptable, we consider the social workers' suggestions or indications." I talked to the Sudbury office about this one. They are amazed absolutely amazed, at how Miss D. is turned down, in view of the fact that she worked 29 years with the International Nickel Co. and subsequently went to a jewellery store to work. Her diabetes is so bad she can't remain on her feet more than several days, and yet she too has been cut off. "She has diabetes, obesity, gall bladder, chest pains and chronic anxiety," says the doctor. "With or without treatment, would you expect sufficient recovery to take place in the mental or physical condition of this person at any time in the future to render this person employable?" The answer: "No." Interesting case, you know.

They were going to give it to her in the beginning, but ultimately they said no, she had too much money in the bank. Obviously somebody forgot to advise Mrs. Moody of your staff that under the regulation change I think you are eligible for—what is it, \$1,900 or something now?

Hon. Mr. Brunelle: It is \$1,500 for a single person.

Mr. Martel: It's \$1,500 per person. She was turned down. She had \$1,900 and something by the end of that month. We got over that hurdle, with the assistance of the Sudbury

office, only to be advised that for medical reasons she couldn't be considered either disabled or unemployable. And yet the field office in Sudbury says they can't understand what goes on.

I had an interesting call yesterday from a Mr. A.T., father of seven children, on a Canada pension of \$291 a month. He applied for FBA disability as a disabled father last April. He has been out of work since October, 1973. My federal counterpart helped him to get a disability pension from CPP; he got \$2,900 in back payment. But, you see, you have lost the FBA; the forms were lost in February of this year, he was advised. He was on GWA, which now has been terminated because he has got \$2,900. He will use up the \$2,900, which he would have been allowed to keep under FBA regulations because his seven children all go to school. They are aged 18, 17, 15, 13, 12, 10 and 9. By the time you get around to investigating it, Mr. A.T. will have spent or disposed of the \$2,900 to live, because his general welfare has been cut off and because the forms were lost. That is case No. 4.

Case No. 5: This is an interesting one too. It came to my office last Friday, and I sent it on to the minister on May 2. The medical form is signed by Dr. Sutherland, a rather well-known neurosurgeon in the Sudbury area. Under item No. 3: "Permanently unemployable for medical reasons and unlikely to be able to commence remunerative employment."

What does he get for a letter? You will enjoy this:

Your application has been carefully considered under the requirements of the Family Benefits Act. This letter is to give notice that we intend to consider that you are not eligible for the following reasons—

Not even as permanently unemployable. Yet the neurosurgeon says he is permanently unemployable. I have the form filled out by the neurosurgeon. It says "Patient is waiting for a hospital bed for further investigation. Another form will be filled out following hospitalization." But he is turned down as even unemployable.

Mr. J.F.'s is another case. I thought I had done a great thing for this man. I got him on the GAINS programme. He got \$8.33. I didn't realize how little it was. He is on a Canada pension. He doesn't speak English. He has an English name, by the way, but he doesn't speak English. He applied for a Canada pension; that is going to come. He gets assistance from you people—\$8.33. When you add his \$130 Canada pension and his \$8.33 from you people, he is making the magnificent sum of \$138.

Now, let me tell you what the doctor says. This is signed by Dr. Michaud, a surgeon in the city of Sudbury.

This man was reviewed in the office today [April 28]. He was first seen in the office on Nov. 19, 1974. Previously he was Dr. Levesque's patient. He suffered an accident on June 13, 1967, when he slipped down some stairs. He has had back pain with radiation into the leg since then. He has been seen by several physicians, including the orthopaedic surgeon. He is now on a disability pension from the Workmen's Compensation Board.

Pardon me, I said CPP; it is the compensation board that is giving him \$130. Anyway, when you get \$130 from the compensation board you are almost paralysed from the neck both ways, I want to tell you.

He has not worked since July, 1973. X-rays taken at St. Joseph's Hospital were reviewed and showed a compression fracture of L-1. He also suffers from signs of osteo-arthritis of the lumbar spine as well as curvature of the thoracic spine. In my opinion, this patient is completely and totally disabled for life.

Well, we got him \$8.33. He has that magnificent amount. Again, you are paying the man's room and board; that's all. He gets \$130 from the Workmen's Compensation Board and he gets \$8 from this ministry, so in fact what you are doing is paying him a room and board allowance.

No. 8, the one I started to speak about the other day; I quoted the two letters the other night. Just to refresh your memory:

Mrs. S. is totally disabled. But I too must admit that I am confused by the differentiation between disabled and permanently unemployable, and I would hope we may see some clarification of this distinction in the future. (Signed) Dr. Prince.

The same case signed by Dr. de la Riva:

In order to clarify this matter, the above-mentioned is physically incapable of doing work which would mean that she is totally disabled. I hope this will enlighten the whole situation. Dr. de la Riva.

Case 9: This man I have worked with for the better part of six years compensation. He's had surgery on both knees. He has been under psychiatric care and attempted suicide because of his condition. I have been attempting to get him on GAINS now for some time. I don't know what the Compensation Board tells you people. I have asked you to contact the Compensation Board. I have seen the report by Dr. Tenhunen, the psychiatrist from the sani-

torium in Sudbury. I fought his case before the Compensation Board so I know what both knees are like. I know that even Rehabilitation gave up on trying to rehabilitate the man. It was absolutely impossible. Unemployable.

And then Mrs. B.—Mrs. B. who has been turned down, an interesting case. I talked to the neurosurgeon in Sudbury and because your definition is so unclear Dr. Sutherland says, "I can't in all good faith classify her as disabled because to me disabled means confined to a wheelchair or something like that." I have asked this ministry to contact Dr. Sutherland a number of times because he believes that you must be almost immobile to be classified as totally disabled, although he says readily she'll never work again. There is no way.

Now, there are nine cases, just nine. Those are all recent. Those last two I have probably been working on several months, the other seven within the last two weeks. That's nonsense. And I haven't gone looking for them, I can assure you, and that's all from my riding alone, in that short period of time. And there isn't one of those people who is capable of working. I don't think you can term any of them unemployable.

There are three or four things that bother me. You tell me, as you said to the member for Scarborough West the other night, that you go by the field worker. Well, you don't. In Miss D's case I have talked to the Sudbury office. They can't understand it. You use every reason in the book. First, you said she had too much money. When we knocked that one down, then you sent her another report saying she is not eligible for medical reasons. The whole staff in Sudbury thinks she is. That's strange.

You've got them on what should be GAINS, I guess, or unemployable. You pay room and board allowance to a handicapped person—\$138 a month, and \$124 a month. How do you live on \$124 a month after you pay the room and board and you are handicapped?

Mr. F. doesn't speak English although he has an English name. Here is Dr. Michaud's report. How do they get turned down when you have medical reports like that? I just can't understand what goes on. And there is no consistency. That's the worst feature. If you could find a pattern of inconsistency then you could go after that. We have patterns of problems in the Sudbury local office and we can go after that type of problem. But with so much inconsistency you can't even get at it, because you find other reasons. When we knock one reason down you find another.

There are nine cases—terrible anguish in those nine people and those that have families.

The man with the seven children. Where do forms go after a year? That one should be elaborated on. It's really interesting. And the man is over a barrel. His general welfare has been terminated because he's got \$2,900. How fast can you act on that?

Mr. W. G. Smith: (Director, Provincial Benefits): Tomorrow.

Mr. Martel: Tomorrow?

Mr. W. G. Smith: It's too late tonight.

Mr. Martel: I've a letter coming to you, but it will take a little longer to get out of my office. I'll give it to you. I hate to see him use up his money. He's entitled to that. He has been granted FBA, but the forms were lost. When he made application under the old disabled Act he would have been allowed to keep it, had he been granted. Once he got the Canada pension, if he had any assets, he could keep those liquid assets, couldn't he?

What I fear is that he'll have to use up all his money before even general welfare will help him again. The Sudbury office said he must use it all up before we'll give any more general welfare. He was cut off at the end of April. It's a comedy of errors. Everything he has goes down the drain. If you look at the age of his children, nearly all of them are in high school. There are nine of them. I don't know how one goes about solving it. How long would it take this ministry to go over those 7,300 cases?

Hon. Mr. Brunelle: Mr. Chairman, the member was here for the debate on Tuesday when I indicated we will be broadening our definition. If the hon. member will give us these cases he has referred to, we will certainly be pleased to review them.

Mr. Martel: That's what bothers me. I can get them to you. That's what Stephen said the other night. That's what all of us are doing. I'm sure all the members get the cases the same as we do, and we write them up. For everyone that I write up there are probably 10 that are desperate. It's the same for all of us.

That's why I ask how long would it take to do a review of what has gone on in there? I'm frustrated with it—frustrated with trying to help these people, not because I mind helping them, but you can't get to it. Nothing changes; it's there. I'm sure all of us have had it.

Surely, with 7,300 cases there must be a quick way at getting at those. I don't care if you send out your medical team around this province, like starting tomorrow, and you tell the district office to bring them all in, as the Workmen's Compensation Board does. They send a doctor out to Sudbury. He'll be there

three or four days, and he sees everyone who's on tap that month. He might see 25 or 30 people. Why don't we do that around the province and get at the backlog?

Send out these four doctors. Maybe ask a doctor locally to sit with them, rather than send your whole team as a group, which I suppose you might do. Split those four doctors up and send them out to four different areas. Pick up a doctor in each area to sit with them to assess these cases so that you can get your grants, if that be the case—but more importantly for them, so that we can get them on where they can survive.

That's the first thing I want to talk about. I don't know, Mr. Minister, there must be a way of crashing it as the Compensation Board does.

Hon. Mr. Brunelle: Mr. Chairman, again, I have indicated that we will be reviewing these cases. At the same time, the adjustments that have been indicated today will be of some help to those who are under family benefits.

Mr. Martel: It's a terrible scene.

Hon. Mr. Brunelle: But at the same time it's difficult. There will be a certain number transferred, but each case will have to be reviewed individually.

Mr. Martel: That's why I'm suggesting you take your four doctors and ask the medical association in various communities—Sudbury, Timmins, North Bay, Goderich—to provide a doctor for three or four days. Ask your local office. It shouldn't be too hard to pull it all together, to go through and notify the various people that they will receive a medical examination this week in their area and two doctors will be there—one from here and one locally. You'll have your social worker in there at the same time. You can then expedite and get down to those who are able to work very quickly.

That shouldn't be too hard to do, because those four doctors were sitting in the office doing that here. They can't see the patient or the client, and it is all done by correspondence. This is going to take a lot longer, it seems to me, if we are serious about it. We could expedite it and do it by actually having them get out of town for a while.

Hon. Mr. Brunelle: Well, again, Mr. Chairman, I have indicated that we will do this and we will try and do it as fast as we possibly can.

Mr. Martel: I would like the minister to commit that he would send them out of town.

Hon. Mr. Brunelle: I have indicated that on Tuesday we will have doctors in the

various areas of the province. I did indicate this—you look at Hansard.

Mr. Martel: I must have missed it, if you were going to send the doctors out of Toronto and call the various people in. Did you get that, Mrs. Campbell?

Mrs. Campbell: Yes, that's why I asked at the beginning—I understand that he was going to expedite it—but I want to know the timing.

Mr. Martel: I missed it. Mr. Chairman, I want to go on. You are going to allow women to work. There is a strange situation—I guess it's almost an anomaly. Some people who work by having boarders come into their home are penalized—why? Let me put the case to you.

If I happen to be on GWA, and in my own home and I provide room and board, you then deduct 40 per cent, I believe, for legitimate costs. And then you start to take dollar for dollar away from that, beyond that. Yet you allow somebody else to go out to work and earn up to \$100.

I can't understand why you don't allow those people who have boarders to make up to the \$100 profit before you start deducting.

Hon. Mr. Brunelle: As the hon. member knows, all income has to be taken into consideration. It could well be that maybe we should be increasing the amount that we allow for room and board.

Mr. Martel: I am not even talking about that yet, Mr. Minister. What I am saying is that if a woman goes out to work, or a man, they could earn \$100 a month before any is deducted. Okay? If they are in a room and board situation, you deduct 40 per cent as the cost of the food and so on; that's not considered profitable.

Let's say it's \$100 a month. You take 40 per cent, and you say she has a \$60 profit. But she can't keep any of that as the other person could who is allowed to make \$100.

I think you immediately start to take dollar for dollar away from her; that's right. Why? Why do you allow some to go out and earn and not a woman who maybe can't go out and earn but could bring someone in—who has no work experience, but is a good housekeeper and maybe has a room to rent. Why isn't she allowed to earn?

Hon. Mr. Brunelle: I think it is a good point.

Mr. Martel: Why?

Miss D. Crittenden (Deputy Minister): Mr. Chairman, I think I understand Mr. Martel's question. He is referring to the seeming in-

equity of allowing an exemption for earnings and not an exemption for the money that would be received for room and board. Under CAP, it is a needs test that must be done on net.

Now, we have had to negotiate for years to be permitted the kind of exemptions we have. In point of fact, the new CAP guidelines will not allow Ontario or any other province the kind of exemption we are giving on earnings. So, they had to make an exception. They wrote the guidelines and said that it will be a lower amount, except for the province that happens to have given this exemption on earnings—and that happened to be Ontario.

So, quite apart, we are getting a higher exemption than anybody else. We can't give it in this other area that you are talking about, because we are not able to negotiate that. That is quite specific. We already have managed to negotiate a higher exemption than anybody else has.

Mr. Martel: Except for that group.

Miss Crittenden: But we are not able to negotiate it for the others, because it has been very specific. I mean, you asked the question of why and I'm telling you very honestly how this happened.

Mr. Martel: It's quite discriminatory against the woman. One of the problems many women have, of course, when they've never been in the labour force is that at 50 years of age they find themselves in that position. Her husband dies and she can't go out and find a job, so she takes in a roomer. But she can't keep a cent, while somebody else, in the same condition, can go out and earn \$100 without having any of it deducted. I don't see how you get around it. There just has to be a fairness about it. I have three different women who are in this position and who want to augment their income a little bit, but aren't allowed.

Miss Crittenden: Mr. Chairman, I don't think that we, the civil servants in this ministry, are the ones who get around it. I think this is something that the politicians must face when they write the new Act this fall and for next spring. That is where the responsibility lies. The 10 provinces and the federal government are rewriting the Act. I think there are going to be two Acts coming out, one on social services and one for income maintenance, the support part of the programme. And that is the place, I think, that it is changed.

Mr. Martel: Could I ask the minister if he would instruct his staff to prepare a position, as part of Ontario's presentation, to get rid of this? I want to make the point clear. I've seen

a lot of women who are excellent housekeepers and so on, but they can't get in the labour force in northern Ontario. There are very few jobs for women. If they could take a boarder in and augment their income it would be very nice, but they are penalized if they do.

Hon. Mr. Brunelle: Mr. Chairman, let me read what is income under the Family Benefits Act.

Income that only counts in part is money that you get from a person rooming in your house. The amount that is considered as income will be 60 per cent of the gross amount that you get from a lodger or tenant or \$10 monthly from each person.

Let us use, as an example, a lady who is on FBA and has two roomers at \$100 each. At the end of the month she gets \$200 income. If I read this rule correctly, 60 per cent is considered as income, so \$120 is considered as income. It could well be that \$100 exemption ceilings which we apply should be considered.

Mr. Martel: Sure. That's what I am asking.

Mr. Anderson: Mr. Chairman, Mr. Martel presented this question to you in writing some time ago.

Mr. Martel: I didn't get an answer.

Mr. Anderson: The question did come, at least then, from the north. As was suggested, we did do some work on a position paper for that and Miss Crittenden has given the answer. There is a logic to what Mr. Martel is indicating. If the exemption is in itself considered to have the profit in it, then that's one thing, but that doesn't seem to be the case.

We seem to be saying that the exemption is the actual cost of supporting a person; the profit is the amount that we take off. We have prepared the position on that and it's one of the things, as Miss Crittenden has said, that we are negotiating on. There is a logic to the fact that a woman works as hard to earn \$100 by that method of cleaning up and cooking for a boarder as she does by going out to work for somebody else and doing the same work in a home apart from her own. The effort is the same to earn the same amount of money. We have appreciated that logic. We simply haven't got the position sold yet.

Mr. Martel: I would encourage you to continue. Obviously you're going to continue it. I think it would help a lot of women.

I want to speak then, for a moment, on father-led families. I'm not sure if the fathers are going to burst the doors down to retire. I've looked after my children. My wife was

in the hospital recently and I had to look after my children. I want to tell you that by the end of four or five days, I was ready to disown them. As a father, I certainly wouldn't be trying to retire from this type of job to go and raise children.

Mr. Chairman: Now I understand what is the matter with you.

Mr. Martel: Right. Yet I think that is part of the fear this government has when it looks at the prospect of a father where the mother has died or, for some reason, he is leading the family and there is no mother. The province seems to have a great reluctance to allow him to draw family benefits. In the same situation, the mother could draw family benefits if she were the head of the family.

I have listened to the minister as he has stated how difficult it would be to change the Act. I rewrote an Act with no problem at all. You just take out the reference to women, that's all and you make it a policy and it leaves the ball game wide open.

I think your fears are unfounded. I don't think you are going to have a mass exodus from the work place to raise children. I don't think men are so inclined but if they so choose, I don't think it is going to be that frequent. There is the difficulty, and I have seen it, where the oldest girl has had to quit school because of the difficulty of getting a homemaker—I quoted the figures the other night—and the income level. What is the income level? It is based on children. It's always difficult to play around with this minister.

Hon. Mr. Brunelle: The means test.

Mr. Martel: You are right. One can never say for certain "There it is." If a man had three children and he was earning \$7,000 a year, would he be eligible for a homemaker?

Mr. Anderson: Mr. Chairman, the amount of subsidy he would be eligible for would vary. Even with a \$7,000 a year income it would vary with the size of his family, the cost of his rent and all the factors which would be taken into consideration. In the case of a man earning \$7,000 a year, he might not be eligible for the total subsidization of a homemaker. It would be on a sliding scale between \$1 a month and the total salary of the person. I would doubt that anybody in the \$7,000 a year range would be expected to contribute even, say, 50 per cent of the cost of the homemaker, even on a five or six-day week basis.

It is a sliding scale, almost identical to the provisions under the Day Nurseries Act. With the cost of a homemaker now running around

\$28 to \$30 a day, he might be paying \$1, \$5, \$7, but hardly likely would he ever be—well, I think it would be impossible to calculate a budget on which he would be required to pay the full amount.

Mr. Martel: But that's the difficulty I have when someone comes to me and says, "My wife has died. I have three children at home; what am I going to do? I earn so much on my job," and I suggest to him he contact the ministry or the local welfare office in Sudbury, which is like sending someone to the lions' den, really. I have found frequently that you see one of the kids, the older ones, will quit school.

That bothers me to see a 15- or 16-year-old girl forced to leave school to look after the brothers and sisters. I just don't think it's realistic in this day and age for a man to take \$150 out of his salary to pay part of the cost of a homemaker. People simply can't afford it.

I think the amounts you are allocating are a farce; it makes it virtually impossible for me. You will see frequently the oldest of the children will quit school; or you will see a very loose type of arrangement where someone looks after the children in a kind of loose fashion which isn't to the benefit of the children.

Miss Crittenden: Mr. Chairman, we mentioned two days ago that there is a new social service Act being drafted in Ottawa which will probably be available late this fall for discussion purposes. In the classification of social services within that Act, homemakers will probably be designated in a different way from the way they are at present. We are restricted at present to the people we can give homemakers to under CAP, at least. Under the new social service Act, there would be a broadening of the classification for homemakers. This is coming about. And then there will be a discussion period for everybody to discuss the way they want to see that classification used.

Mr. Chairman: I wonder if I might ask the critics for the two parties, have you got much more on vote 2602? The reason I ask is because the staff would have to come back this evening on this vote. Do you think we will go past 6 o'clock?

Mr. Martel: I think we will go past 6 on this. I am trying to keep to a reasonable time.

Mr. Chairman: Mr. Smith, do you have more on vote 2602?

Mr. R. S. Smith: Yes. I have to cover the minister's statement of today, and I have all

the questions that I asked in my opening remarks that haven't been answered. They want answers.

Mr. Chairman: I expect they would be answered under the general vote.

Mr. R. S. Smith: No, I was given to understand that the minister was not going to supply us with an answer. We would deal with the questions on the individual vote as we went along. Was that not the arrangement?

Hon. Mr. Brunelle: I didn't make any notes.

Mr. Martel: Get the Instant Hansard.

Hon. Mr. Brunelle: I can get Hansard and refer to the debate.

Mr. R. S. Smith: It is broad as it is long. I just thought that was what we were going to do, that that was decided the other night. Was that not it?

Mr. Chairman: All I am asking for, Mr. Smith, is to try to get some indication whether that staff that deals with vote 2602 will have to come back this evening.

Mr. Martel: They will have to miss the hockey game with the rest of us.

Mr. R. S. Smith: Well, let's say that my remarks can be completed and the questions answered in 40 minutes.

Mr. Chairman: Do you have much more, Mr. Martel?

Mr. Martel: I've just started. I have been delayed in getting going.

I'll go back to the father in that bill though. Why won't the government take the discrimination that exists now out of the bill?

Hon. Mr. Brunelle: Well, as the hon. member knows, this is International Women's Year. Next year will be International Men's Year.

Mr. Martel: I hope so. It's about time we got a break, don't you think?

Hon. Mr. Brunelle: Generally speaking, we are all in agreement about equality of the sexes. It affects us.

At the present time under the General Welfare Act, the discretion is left to the municipalities, and the great majority use that discretion. If there are problems, often they discuss it with staff from our own ministry. In certain cases, where it is felt that it is a burden to the municipality, we do pass an order in council.

Mr. Martel: The trouble with GW, Mr. Minister, is when a man is trying to raise his family during the formative years, and you

have kept him on general welfare, he is taking home considerably less. As you yourself argued last year over and over again—for not bringing the two closer together in total amounts—general welfare is short term.

If a man is going to look after his children, if they are young, for two or three years, during their formative years, certainly he should not be on general welfare which is considerably less than family benefits, which isn't sufficient anyway. You will admit that yourself, but you keep him on general welfare. I just want to know why you don't change the Act.

Hon. Mr. Brunelle: We have been reviewing this. At the same time, the Ontario Law Reform Commission's report on family law is also a study that we feel relates to this.

Mrs. Campbell: What?

Hon. Mr. Brunelle: It does, Mrs. Campbell.

Mr. Martel: I understand it does, but I have never been able to understand how, not being a lawyer. They tell me it has something to do with property rights. If the wife is dead, she is not worried about the property rights, I don't believe. It is not going to affect her at all. All I am worried about is that the father has the option if he wants.

That man in Penetang, he raised enough Cain, and you gave an order in council, and you got him off your back. That is simply what happened. If he hadn't had the exposure, he wouldn't have got it.

Mr. Anderson shakes his head. I am sorry, I am cynical. I happen to believe it is the press that did it—the adverse press that you don't like and that you are very sensitive to. You gave it to him. He couldn't get someone to look after his children. This happens in other areas. All I am saying is, let's have the flexibility to say, "You can stay home." What it has got to do with property, I don't know.

Hon. Mr. Brunelle: No, but we do look at each individual case often by providing home-maker services or day care.

Mr. Martel: But you do that with women too.

Hon. Mr. Brunelle: I think a great majority of men would much prefer to work than to remain at home.

Mr. Martel: That's right.

Hon. Mr. Brunelle: But when there are special circumstances we have looked at them and we have given them assistance under family benefits through an order in council.

Mr. Martel: And it's a real battle for them, isn't it, Mr. Minister?

Mr. R. S. Smith: How many of those?

Mr. Martel: Seven, I think, in the province, some ridiculous number. Is seven close to being right, seven orders in council granting FBA or is it lower than that?

Mr. Anderson: I think, Mr. Chairman, it is probably lower.

Mr. Martel: Probably one; maybe two, eh? It is somewhere between one and seven though. We haven't got lots of them, Rene. Why don't you just take the discrimination out of the Act?

Mr. R. S. Smith: We could have a little game.

Hon. Mr. Brunelle: It is not just as simple as you have stated.

Mr. Martel: You were telling the "ombudsman" on TV a year ago that it wasn't that simple. Well, you have had a year. What happened in a year?

Mr. Anderson: Mr. Chairman, perhaps if the discrimination were to be eliminated, the effect might be more adversely felt if we were to be completely fair with regard to women who are presently receiving assistance. I think it is probably not in the best interests of some people that we continue allowances for women after their children are well into their teens and do not ask them as a routine about the prospects of returning to the labour force.

If you have got a reasonably young mother whose only daughter is now 16, and the woman herself is, say 36, is it reasonable to consider her to have almost an automatic continuation of public assistance without some kinds of moral suasion being used to return her to the work force? Perhaps in that sense we are not being—

Mr. Martel: Hopefully the move you made today will start to eliminate this, we've been screaming for years, that what you do is slowly get people back into the labour force. Your moves today, hopefully, will start that pattern.

Mr. Anderson: That is one type of situation, sir. As far as the family law aspect of it is concerned, you have mentioned a gentleman from Penetang. That was a case where his wife had died. In at least two or three of the other situations it is a question of desertion.

It is accepted that if a woman is deserted and has children in her care, she can take certain actions against the husband's income. In

the case of family law right now there is almost no provision for the husband who remains home. This has been the case in at least two or three of the other applications we have dealt with. The woman has re-entered the work force, she is ignoring her responsibility to her children, and the man has no recourse under family law to ask for any support for the children. So there are inequities in treatment of male and female heads of families outside of our own administration that would have to be looked at.

That is just one example of the situation. It possibly isn't that strong a force in the total operation of the family benefits. But there would ultimately be the question of families which divide, with male and female heads taking, for instance, two children each, both equally entitled to refrain from the work force as the result of dividing the family.

These may not seem to be major aspects right now, but we are facing a situation in Ontario—and I am sure most of us are aware of it—where families are breaking down with increasing frequency, not just in the welfare case load by any means. The frequency is about one in five or six, so these kinds of new-style families are going to emerge. We need to be able to adjust to this in the whole field of family law, not just in the field of welfare law. This is perhaps some of the reason for the government moving cautiously, particularly in the case of family breakup, rather than the case of death of one or the other of the spouses.

Mr. Martel: Nonetheless, in the case of death there is tremendous hardship.

Mr. Anderson: And before death? In the case of the man who is not, and this I think is—if I can remember your recommendation, Mr. Martel—one of the areas where I felt there might be a deficiency in your recommendation, because you dealt, I think specifically, with the single head of family. I think there is an equal case to be made in the case of the gentleman from Penetang.

If you are going to accept his case in the first place for an allowance in the two years prior to his wife's death, when she was in the home and he was required in the home to look after her, it is not just a case of the single parent. It could be the man who has a dependent wife in his home might have more of a reason during her illness.

Mr. Martel: To remain at home?

Mr. Anderson: Yes, to remain at home and be helped rather than after she died if the children are in their teens. These again, are

areas that need to be explored very fully. It simply isn't just one simple situation that can be rectified. I didn't mean to criticize your amendment.

Mr. Martel: No, no, that is fine.

Mr. Anderson: Was it an oversight?

Mr. Martel: No, the reason I put it in is simply to get away from it. I realize we can put up all kinds of reasons why one shouldn't. I mean, everything is going to have a reason why we shouldn't. There is going to be funding. It is going to make it difficult for us, but I don't think that is justification for saying: "Here, we make it possible." What the Act does is specifically exclude that from being possible. I don't know any other way of doing it.

You still have the discretion at the end with GWA or FBA. You still have the discretion to say no. If you investigate it thoroughly, and you tell him adequate homemaker care is available to him if he wants it, and if there are circumstances which allow him to get out—if the kids are 15, 16 and 17 and he says he is not going to—you can say to him: "Now, wait a minute. We are not going to give it to you." You have that discretionary power, but you don't have it here. You have to go the order in council route which is very difficult to get as you and I know. To get an order in council is like pulling teeth out of a chicken.

Mr. Parrott: I told you I would not interject expertise again. I am going to stick by that statement.

Mr. Martel: That is the difficulty of it and the reason why I made it as simple as I could.

Mr. Parrott: Besides that, I am listening.

An hon. member: That is not very nice to refer to patients as chickens.

Mr. Martel: I would enjoy your interjecting.

Mr. Chairman: No, I can't allow Mr. Parrott to do that if I don't allow you to, as you so correctly pointed out.

Mr. Martel: I feel comfortable in letting him do it. You are the one who is making the ground rules that we can't live by.

Mr. Chairman: That's right. You are finding it difficult, I realize that.

Mr. Martel: Pardon?

Mr. Chairman: You are finding it difficult, I realize that.

Mr. Martel: So are your colleagues.

Mr. Chairman: No, they are not.

Mr. Martel: You see what happens when we double track all the time. My friend from Nipissing will have some points to make along some of these. He will have to start all over again, whereas, if he could raise his questions, or I felt free to raise a question at the same time, you don't go back. Your making us go back is going to take longer, but that's fine, any way you want to run it.

Mr. Chairman: I might say you are being repetitious. It has already been told.

Mr. Martel: Yes. I shall just point out to you what happens. If you had allowed the member for Nipissing to raise that question, he wouldn't have come back to it now. He asked how many people had received orders in council. If he has to start all over again, that's fine. Have you moved to age 60 for GAINS yet? Are you considering that?

Hon. Mr. Brunelle: Well—

Mr. Martel: In the budget you bragged about Ontario having the best plan of all.

Hon. Mr. Brunelle: Relevant to this, Mr. Chairman, is the federal government plan as of October 1. All spouses of those who are not on GAINS, and who are in receipt of the federal old age security pension, will be eligible as of Oct. 1. I believe it is 60 years of age.

Mr. Martel: Is that right?

Hon. Mr. Brunelle: Yes.

Mr. Martel: Will Ontario follow suit then and make the GAINS applicable at the same rate or what?

Mr. R. S. Smith: That is unlike the federal government.

Mr. Martel: Yes, that is something new for them. You will apply that I suppose to Ontario. Would you have the same, or an escalated rate?

Hon. Mr. Brunelle: This will apply to every Canadian 60 years of age—that is the spouses of those who are in receipt of the federal old age pension.

Mr. Martel: The question I am asking you, though, is do you make it eligible at the GAINS rate or is she just going to be allowed to get federal income?

Miss Crittenden: Mr. Chairman, in connection with this we asked a question of the federal authorities last week: Would they tell us what the ground rules were going to be, because they indicated they were going to use income

tests. Income tests precluded another payment, and we could not get an answer. So, that until we can get an answer we don't know what their ground rules are.

Mr. Martel: You realize, of course, that BC has reduced this some years ago?

Hon. Mr. Brunelle: Under Bennett.

Mr. Martel: You are wrong again, unfortunately. I wouldn't have brought it up, except that the Treasurer (Mr. McKeough) in the budget said we have the finest of the finest.

Hon. Mr. Brunelle: The highest. Yes, that's right.

Mr. Martel: That's 15 whole cents per month.

Hon. Mr. Brunelle: Plus the Ontario tax credits, which certainly raises this much more than that.

Mr. Martel: You ask a woman who is 61 in Ontario what she and her husband are living on—including your tax rebate—and compare it to what a woman, 61, and husband, 65, out in BC are taking home. Forgetting the tax credit, who is better off? Who is better off? You know, Mr. McKeough, with all his blowing and tilting at windmills—

Mr. Chairman: I am sure you will argue that with Mr. McKeough.

Mr. Martel: I will.

Hon. Mr. Brunelle: Mr. Chairman, to live in this beautiful and progressive Province of Ontario it is not just a monetary value. There are other values.

Mr. Martel: Well, I want to tell you—

Mrs. Campbell: You can say that again.

Mr. Martel: —it's pretty difficult to eat the aesthetic qualities. There is something in the digestive tract that doesn't quite accept it.

Mr. Chairman: Are we back on vote 2602, Mr. Martel?

Mr. Martel: Mr. Chairman, I asked the minister, what have you done with a diet dispensary? The other day, in my opening remarks, I spoke about the necessity for kids to get off on the right track and on an equal footing. You promised me last year—and I can dig it out of Hansard—that you would do something with respect to a diet dispensary. I asked for some pilot projects. What have we done?

Hon. Mr. Brunelle: We have doubled, Mr. Chairman—

Mr. Martel: No, no—what programmes have you established?

Hon. Mr. Brunelle: We have doubled allowances, in some cases more than doubled them.

Mr. Martel: That is not going to do it, Mr. Minister.

Hon. Mr. Brunelle: It is certainly going to help.

Mr. Martel: That isn't the answer.

Hon. Mr. Brunelle: And also I think you mentioned about the committee. There was a committee established—

Mr. Martel: Yes. That was in 1973, and they haven't met yet.

Hon. Mr. Brunelle: —chaired by a representative of the Ministry of Health and we are—

Mr. Martel: They haven't even met. They haven't even got the guidelines laid down for them. Don't use that one. They might have met once, but they haven't even got the guidelines laid down—and it's from the Ministry of Health.

But your argument falls apart: you are playing games. When we talk about a diet dispensary, we are talking about guaranteeing that the mother, who is in the family way, will have the nutrition that is necessary.

What they have found in a Montreal study was that if you simply thought by giving them a quart of milk that was going to do it, it didn't work. Because they passed the milk on to the children, who were deprived. And so the benefits weren't received by the child during the pregnancy. I asked you last year if you would look into it—and obviously you have done nothing with it.

Hon. Mr. Brunelle: No, there has been—

Mr. Martel: Well, you tell me what you have done—besides raising it. Everything that was there has been before.

Hon. Mr. Brunelle: As the hon. member knows, last year we had Mrs. Smithies, who spoke on that.

Mr. Martel: Yes, she is at the back, isn't she?

Hon. Mr. Brunelle: She is with us again.

Mr. Martel: Yes, maybe she can tell us.

Hon. Mr. Brunelle: Could you give us some information, Mrs. Smithies? Mrs. Smithies has been very active in this whole area.

Mr. Martel: I hope she has a diet dispensary going; or I can get her the money today to start one.

Mrs. M. Smithies (Home Economics Supervisor, Social Services Consultants): What would you like to know about the diet dispensary?

Mr. Martel: Well, the minister indicated last year he was really going to do something about this. Maybe get one started—a pilot project—similar to what is going on in Montreal.

I am just interested in knowing if the ministry has started one. I understand the social planning council of Metro Toronto has attempted to do so. They have gone to Mount Sinai Hospital—I might be wrong—asking for donations to establish one, and have been turned down.

Based on the minister's promise, it was suggested that he was going to start one. I advised them recently to come and see the minister, because I was of the opinion the minister probably hadn't done anything to establish a diet dispensary or a series of them across the province. Have you done anything?

Mrs. Smithies: First of all, the Metro Agencies Committee that you referred to and that you feel are trying to do something about this are not actually getting into this diet dispensary. They are not actually doing that particular aspect of it. They want a nutrition centre—if we are both talking about the same thing—and they have applied, you are right, but it was to the Hospital for Sick Children.

Mr. Martel: Okay, Sick Children's.

Mrs. Smithies: They wanted to start a three-year project and they asked for \$300,000. I understand they were turned down by Sick Children's but they didn't really say why they were. At present they are making informal inquiries into funding.

What they wanted to do was to establish a demonstration model nutrition centre and in that they were going to give counselling and group sessions; community projects; diet supplementation; referrals and linkages to other community services. It would involve, they said, nutritionists, child care, homemaking aides, community workers working as teams with other service providers in the community. That is what they were doing.

Mr. Martel: Okay; now what has the ministry done? We discussed all of this—I am going to come back to this in a moment—but we discussed this last year, both I and the member for St. George. We put a great deal of material before the ministry to consider. It seems to me—and it all came to the fore again when I read about poor kids the other day—it's absolutely necessary, if we are going to give kids an equal

chance, that it be done, in the instance of poor families, while the child is still unborn. I don't think anybody disputes that any more—at least I have heard of no one who disputes the value of ensuring that during pregnancy the mother has the proper foods. Yet it hasn't been taken very seriously. There has been study upon study—I am sure you know that better than I do. There has been study after study after study in this field and we don't seem to take it very seriously.

Mrs. Smithies: I think we do take it seriously. I don't know really what I will do if the ministry asks me about this. I would feel very uncomfortable about giving an opinion on it, really. I don't think it is undisputed. I think most certainly that Agnes Higgins in Montreal has shown very dramatic results in certain instances but I don't think for one minute it is undisputed.

Things have been going on for years like this and I am well aware of them, as you are, too, Mr. Martel. For instance, in Britain during the war, fatalities—foetal deaths—definitely did go down, maternal health care did improve and so did the general health of the whole population. That was under rationing and under an improved planning of food for the whole nation. That was shown at that time, but there are very definite authorities who feel quite unhappy about actually getting into saying that this is the answer, that you would actually give food in this way.

I think it is generally accepted—I think this is the statement you're making—that gestation seems to be a most critical period in offspring formation, and I think this is the point that Agnes Higgins makes. Many authorities would back me on this—there are many unresolved problems and questions about the relationship between nutrition and mental development. You can't really say that giving this amount of food—I mean to say, shall we get into this type of programme in Ontario?

Mr. Martel: I am talking—

Mrs. Smithies: I am not tremendously certain that we would. For instance, one of the statements which I saw, too, in that report you have on poor kids was where Agnes showed there were fewer deaths in public wards after she had given supplemented food. But then, you see, I haven't the statistics on this at all. I just don't know whether we have got more deaths in Ontario on public wards. You see, I feel that she has taken certain isolated aspects and—

Mr. Martel: She's not alone, that is what bothers me. There are too many other studies

now. I listened to some and, in fact, I read recently of a couple of top-flight nutritionists in the United States who were very concerned at the eating habits of the American people. I am not suggesting that we can go out holus-bolus and force-feed every child; I am not suggesting that at all. I am just suggesting there is sufficient evidence to indicate the potential of preventing possible brain damage. The British studies indicate the variety of illnesses which have obviously occurred when you compare a controlled group and a non-controlled group. All I am saying is that we went at this at great length last year and the minister said he would spend a little money on it, take a little look at it, and we haven't done anything.

Agnes Higgins figures that it would cost \$9 million a year roughly for proper nutrition for the mother in Ontario. But even to test it, would cost us only \$1 million a year. If we succeeded in rescuing 10 kids—when one considers all of the overwhelming statistics of where kids are and what their background is when in school and when you start to bring in special education and you start to bring in the variety of people necessary to look after these children—the cost of \$1 million a year might be more than saved eight or nine years hence, if it's factual. And I don't think we can really afford to stay out. I guess that's what I am trying to say.

We should be using some research money and we should have people like you working at it very carefully with the hospitals or with Metro, seeing what happens when you have a controlled group of 100 women who are in a family way and 100 from the same economic level who don't get the support, and find out what the results are. It just amazes me that if it's as overwhelming as some people think it is, and there are many studies to indicate this, then, in fact, it seems to me we are negligent, in not doing something about it, or at least in getting in to see what we can do.

You know, we can try it on an Indian reserve. My God, is there anyone who needs it more than some of the Indian bands in northern Ontario? The minister is well aware of this. It's difficult to do because it is isolated. But it seems to me we should be looking at it much more carefully, and the minister should be saying to you, "Here is half a million this year; you and one of the hospitals in Toronto and the social services centre here in Toronto sit down together and work it out." Let's find out what is going on and maybe we can, if we are going to talk prevention, do something serious and very positive in this respect. There

is just too much documentation for us to let it go by.

Mrs. Smithies. Speaking as a nutritionist, I would be rather uncomfortable if this ministry went that way. They have asked my opinion on this. With so many recipients in this province that do have to look to us, I wouldn't like to think that we had to just look to pregnant women to prevent them from starving and give them a certain amount of food.

Mr. Martel: So do I.

Mrs. Smithies: I would like to think that people are adequately fed in this province. I wouldn't like to think that we would have to do that for pregnant women. I would like to think that most women in this province, if they became pregnant, would be adequately nourished at that time.

Mr. Martel: I am with you. But I want to tell you that doesn't happen, because although we are talking about welfare recipients, we are not even talking about the poor, and we have no way of augmenting the poor's salary in spite of the fact the old man works 40 hours or 48 hours a week. We don't even have a programme to ensure that they have any subsidized diet allowance, as we could at least do in GWA or FBA, which is insufficient. We have no way of getting to them. You just don't. We went over that in the House today. We argued as the minister put forth his position that the reason he really can't go any higher—and I understand his position—is because people who are on welfare would be earning a bigger salary than those people who worked. We say, raise the minimum wage.

I've never been one who has accepted the theory that you leave a company operational and watch people starve as they work for it. I'm sorry. It can go out of business as far as I'm concerned, because I'm not going to subsidize them with poverty. That's tough and I realize that, and some people may think I'm being miserable. I'm just not prepared to allow people to live in poverty because some company might go out of business if it had to raise its income for those people. That's the reality of our system and I know of no other way around it except to test it.

Maybe we could prove conclusively that the governments are wise, including the ones formed by the party which I happen to be, in the Prairie provinces, which aren't doing any more in that field because the statistics here aren't overwhelming. Government is not overly-generous in any of the provinces in Canada when we deal with poverty. Maybe if we could document it sufficiently enough then

those politicians who are in power would screw up enough courage to say: "Look, we can't tolerate people living in those conditions."

But until that happens, then we have to try. It's unfair to the unborn kids. We can sit here and say: "Well, we'd like to have it," and at the same time we are condemning them even though they are not even conceived yet. It seems to me that the ministry should be committed to some programme to determine if we can overcome it. If it costs \$10 a million a year to guarantee that all women who are in the family way have proper nutrition and we've got to feed it to them, then I'd do it—

Mr. Parrott: How about overseas?

Mr. Martel: —because the studies indicate that at the present time the mothers simply pass the food on to the kids because the kids don't have enough. So the one who is born is born with the potential of what? What are some of the problems they say? Rheumatic fever, infectious hepatitis, meningitis, tuberculosis; their chances for catching those are graver. They miss school due to illness a great deal of the time, so they'll drop out eventually. It just goes on and on.

I fail to understand your reluctance. I understand what you're saying—that you'd like everyone to be at an economic level so that, in fact, we wouldn't have to subsidize them. That's admirable, but those aren't the realities of our life nor the realities of our society, and until that happens should we not be doing the other?

Mrs. Smithies: I am saying, Mr. Martel, that in that report I think the reality is that certainly poor nutrition is tied up with ill health, and I am saying that in working for this ministry, I would really like to think that total good nutrition was available. I would not like to think that we were just getting behind this one aspect, this diet dispensary one, and putting a great deal of money in on that. I would like to think it was a total picture.

Mr. Martel: But as a politician I have to be realistic enough to realize that when I look at the statistics on the amount of income that the working poor have, it was in Marc Lalonde's speech: "Without transfer payments, the bottom 20 per cent of our population in Canada has 3.4 per cent of the total income of this country." It's down, not up. It's down. It's down from six per cent 20 years ago. Without the transfer payments now it will be 3.4 per cent. He's the federal Minister of Health. I'm sure his statistics must have been right.

I have to look at the hard world of reality and say I have to guarantee those kids an equal opportunity. We've been talking income tax

reform since long before I got involved in politics. One of the first things I heard when I started to get interested in politics was tax reform at the federal level. It hasn't happened. Despite the protestations of my friends, the Liberals, it hasn't happened. It's still the same. It hasn't shifted one per cent in 20 or 25 years. I have to look at the hard realities of it.

Mr. R. S. Smith: That is not true.

Mr. Martel: It is true. I realize it bothers you, but it's one of the cold, hard realities.

Mr. R. S. Smith: It never bothers me; you've got to realize that.

Mr. Martel: Well, that's fine. I might not, but the statistics might. If it hasn't shifted, we must look at the cold, hard realities. What are the alternatives for those unborn kids? You tell me.

Mrs. Smithies: Well, as I say, I really don't know that this is the answer. I would like to think that these women were well nourished through adolescence, so that might be the established way it would go. I don't like your implication that it will just go in that one direction.

Mr. Martel: I'm just talking about one programme. I'm not saying that you should forget anything else. I'm still going to argue for more in a few minutes; I can only argue them one at a time. I'm saying that's one area where you attack it.

Mr. R. S. Smith: Really, what he is asking is that if you don't know, why don't we find out?

Mrs. Smithies: If I don't know what?

Mrs. R. S. Smith: If you don't know if this is a problem in Ontario. Why don't we have a programme to find out if it is a problem?

Mr. Chairman: Mr. Smith, would you please speak into the microphone?

Mrs. Smithies: Well, I'm not really certain that should be where our energies are going, because right away, as a ministry, we're more or less saying that we're not really spending enough money to feed the other people if we have to supplement these pregnant women in this way.

Mrs. Campbell: That can't be the reason!

Mr. Martel: Can we start again?

Mrs. Smithies: Yes.

Mr. Martel: I'm really not trying to be difficult, you know. I can be difficult with the minister, because he can answer me the way he wants. I wish you would feel free to do that too. If you want to take a few strips off me, that's fine. I've never been that thin-skinned. I'm afraid. Just keep the chairman off my back. Okay?

As a pilot project, if the statistics put forward by someone like Mrs. Higgins, or the various studies in the United States or Britain, indicate that if there is proper nutrition during pregnancy, the chances of brain damage at birth are lessened, as well as susceptibility to ailments later, and if this involves a minimal cost—she suggests \$125 per pregnancy, by the way—don't you think it's worth the investment to guarantee that?

Mrs. Smithies: But then you are convinced already, Mr. Martel. You are convinced by what Agnes Higgins has done in Montreal. Do you want us to convince you as well? If you are accepting what has been done already—

Mr. Martel: Are you rejecting her statistics?

Mrs. Smithies: —why do you want another pilot project done here?

Mr. Martel: I don't. I want you to start feeding those mothers, but you've got to prove to this government that it's absolutely necessary.

Are you saying that her statistics are cooked?

Mrs. Smithies: No, I'm not.

Mr. Martel: Do you believe that what she is doing is successful to some degree?

Mrs. Smithies: I do.

Mr. Martel: Do you think the benefits then are to those kids who are born normal as opposed to those who are possibly not normal?

Mrs. Smithies: Yes.

Mr. Martel: All I am saying is, let us then get under way to ensure that when the kids who have yet to be conceived are born, that they will have had an equal opportunity to someone else who happened to have had a proper diet for any reason. She suggests \$125 during each pregnancy. Wouldn't that be worthwhile doing, rather than ultimately spending \$300,000, \$400,000 or \$500,000 for a child to be in an institution, or with a special education teacher and all kinds of backup assistance to prevent him from growing up handicapped? All kinds of teachers are required during the lifetime of such a child. The costs are estimated at \$300,000 to \$400,000 per child born with a deficiency. Is it worth the \$125,

as opposed to the \$300,000 or \$400,000 and the type of life the child will lead? I guess that is what I am saying. What would you do in those cases? Would you spend the \$125 or would you take the chance?

Mr. Chairman: I think it is unfair to ask that question.

Mrs. Smithies: I think I could do a study here similar to Agnes Higgins' and I think I could show results probably similar to hers and just as inconclusive. They wouldn't prove anything. There is a great deal of work being done like this already and it is not conclusive. Rather than scratch the surface as we could do in such a study, I would prefer to let other people go on working who are much better able than this ministry to do it, with many more qualified people to do it. I would like to think they would put the money into programmes right now, which we can better do. I really do think that.

Mr. Martel: I want to tell you—

Mr. R. S. Smith: Well—

Mr. Martel: Go ahead.

Mr. R. S. Smith: I'll just ask a couple of questions because I don't want to have to come back after, if it is all right with the chairman?

Mr. Chairman: Yes, it is fine, Mr. Smith.

Mr. R. S. Smith: What, as a nutritionist, do you see as the supplementary diet for a child-carrying mother? Or should there be one? Your professional opinion.

Mrs. Smithies: You mean what would I see a pregnant woman would need on top of her normal food allowance?

Mr. R. S. Smith: In Ontario, that is.

Mrs. Smithies: I would say she would need about one egg a week, three oranges, three quarts of milk and three-quarters of a pound of carrots.

Mr. Parrott: Would you add, "And a heck of a lot of counselling"?

Mrs. Smithies: Most certainly. Because how on earth can I ensure, whether I am giving the mother the money for that or whether I am giving the mother the three-quarters of a pound of carrots and so on, that she isn't going to give it away?

Mr. Parrott: Right on.

Mrs. Smithies: You can't force good nutrition. You can't legislate it and you can't make people eat.

Mr. R. S. Smith: Okay. Did you—

Mrs. Smithies: I said this last year, Mr. Martel. It has to be education.

Mr. R. S. Smith: Okay. Could I finish?

Mr. Martel: What have we done since last year? That is what I want to know?

Mrs. Smithies: Mr. Martel, for a start, we did start with the Ministry of Education. I think perhaps this made us stall a little bit because there was the usual hiatus. The Ministry of Education, with my backing and the backing of other ministries in the Ontario government—all those having nutritionists—actually made a submission to cabinet that there would be a task force to investigate the co-ordination of nutrition programmes in the government.

I understand the cabinet turned that down and it was really a very modest task force submission. I think we asked for \$2,000. They said instead of having yet another task force they would like us to look at the studies already done and to implement them right away, rather than to have another task force.

Mr. Martel: They might have done that with Judy LaMarsh and taken the money away from her.

Mrs. Smithies: The result was they asked for a position paper; this is my understanding. It went through Health and they asked for a position paper.

Mr. Martel: And it bogged down.

Mrs. Smithies: The position paper was prepared in conjunction with all the other ministries and I must say my ministry gave just about the most backing of anybody. I spoke to Miss Crittenden personally about it and I said they are asking for \$2,000 for this task force and it is too modest altogether. We can't do it for that. It came out absolutely verbally that it wouldn't really matter as regards this ministry; we would cover our own expenses; we didn't want any given and she would back this. They asked for two representatives and Miss Crittenden said, "I want you to be one"—that was me—and she said, "Who else would you suggest?" I suggested either somebody from what was community development at the time, —because we were very interested in good nutrition combined with fitness and the community people were working on that—or, I said, one from income maintenance. Miss Crittenden said she thought we'd go for income maintenance.

We said we would do it. That's what we would do. Instead, as I say, we ended up with

this position paper which was supposed to mean that the whole thing would move more quickly than having the task force for four months. The position paper was completed in November of 1974. We put in a multi-year forecast and increased the amounts of money projected for nutrition programmes.

I was asked to submit to the ministry what I thought I would do with money. It went pretty much on the lines I've been saying to you today. It did not include a diet dispensary. I thought it went very well, but it seems to have got completely bogged down somewhere. Health seem to be having a great deal to do with it. I understand it's somewhere in the Social Development Secretariat now.

Mr. Martel: Oh, you're in real trouble now. If that's where it got to it'll never see daylight again.

Mrs. Campbell: Start again.

Mr. R. S. Smith: You'll find that at lunch under the table downstairs.

Mr. Martel: But you see what you're talking about is—

Mrs. Smithies: Mr. Martel, may I just say that, to me, the whole thing made very sound sense. Every minister was talking. The nutritionists were all talking; there aren't that many of us. We were talking about co-ordinated effort. We were talking about help for the aged programmes. We weren't talking about somebody going off and doing a little bit of a research study on their own. It made sound sense.

Mr. Martel: Okay, But tell me, out of your study, what did you people recommend?

Mrs. Smithies: Did what people recommend?

Mr. Martel: You people sat down together. You made a report.

Mrs. Smithies: The nutritionists?

Mr. Martel: You took a position paper?

Mr. R. S. Smith: What was in the position paper?

Mr. Martel: What's in the position paper? In other words, how do we overcome the problem? Are you recommending the level of income necessary for all people? I don't know what you're recommending. Tell me, how do you overcome the poverty then?

Mrs. Smithies: We recommended the Ontario government look into a policy on nutrition. We haven't got a policy on nutrition. The Ontario

government has no commitment at all to nutrition at this present time. We felt they could get a commitment at this time. We felt they could have something, some plan such as "Everybody's entitled to be fed well." That is what I like the sound of. This is what we wanted to do. We wanted to do it in a co-ordinated effort between all the ministers. Each ministry would say what they were presently doing within their own programmes and how they could further increase the programmes within their own ministries without duplicating effort. Hopefully, in that way, we would use our resources to the best advantage.

Mr. Martel: You have to appreciate my position. Your position papers might be great, but in the world of reality that I live in if, during the past year, we had fed 100 or 200 women, those kids might have been born normal.

Mr. R. S. Smith: I would just like to get back to the question I asked. You outlined what you felt was the nutritional assistance that a person—

Mrs. Smithies: I'm sorry, I can't hear you.

Mr. R. S. Smith: I'm sorry. I'd just like to get back to the question I asked in regard to what you felt was the need of a prospective mother during those months of pregnancy. You outlined what she needed was above what was considered to be her ordinary diet.

Mrs. Smithies: Right.

Mr. R. S. Smith: That's based on the fact that you do believe she has an ordinarily good basic diet. Is that right?

Mrs. Smithies: Yes, that the basic diet is all right.

Mr. R. S. Smith: Which may or may not be true, depending on a lot of circumstances. But, that additional cost for the three quarts of milk and the orange juice and whatever else there was there, might come to \$2.50 or \$3 a week.

Mrs. Smithies: Right.

Mr. R. S. Smith: What has been done in your ministry to provide that type of information to expectant mothers and to provide them with what they should purchase in order to overcome that need, and what has been done to provide them with the \$3 a week? Secondly, what has been done to provide them with the information? They go to their doctor and they are given a prescription to buy those pre-natal pills. In most cases they wouldn't need them if they would follow your simple advice, instead of the promotional gimmicks that are involved in the pharmaceutical field to sell the pre-natal pill. It really doesn't provide the assistance that they require in the same way as would be provided by the raw foodstuffs that you recommend. What has your ministry done in that regard?

Mr. Chairman: Mr. Smith, it being six o'clock, the minister does have some comments to make to you on this particular point at 8 o'clock when we resume.

Mr. Martel: We will be back.

It being 6 o'clock, p.m., the committee took recess.

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Ontario. Legislative Assembly

Legislature of Ontario Debates

ESTIMATES, MINISTRY OF COMMUNITY AND SOCIAL SERVICES

Standing Social Development Committee

Chairman: Mr. R. G. Hodgson

OFFICIAL REPORT — DAILY EDITION

Fifth Session of the Twenty-Ninth Legislature

Thursday, May 8, 1975

Evening Session

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

THE QUEEN'S PRINTER
PARLIAMENT BUILDINGS, TORONTO
1975

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Daily index of proceedings appears at the back of this issue. Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff (Phone: 965-2159).

LEGISLATIVE ASSEMBLY OF ONTARIO

THURSDAY, MAY 8, 1975

The committee resumed at 8 o'clock, p.m.

ESTIMATES, MINISTRY OF COMMUNITY AND SOCIAL SERVICES

(continued)

On vote 2602:

Mr. E. W. Martel (Sudbury East): Mr. Chairman, if I am going to continue I had hoped that Mrs. Smithies would be available for further comment. Do I understand that she will not be coming back in?

Miss D. Crittenden (Deputy Minister): Yes, I believe that is the case.

Mr. R. S. Smith (Nipissing): Well let's just move along then.

Mr. Martel: All right then, I'll get going. But it just makes no sense. I would have thought the minister would have had these people available when we need them for information. And I would have thought that this particular programme was one which this ministry would have been anxious to support.

After all, it is just a matter of some \$2,000, and if you can't get \$2,000 out of Treasury Board for a minor programme—and maybe that is why they haven't let her back in—if you can't get \$2,000 for a programme to do a dietary study, I say you take the money you've got in research right now and you get on with the business of establishing a diet dispensary here in Toronto or somewhere else to start. You start it now so we'll just continue it after the next election.

Hon. R. Brunelle (Minister of Community and Social Services): Mr. Chairman, I think we are all in agreement on the desirability of good nutrition and since our estimates last year we have had several proposals which have been implemented.

We have doubled the pregnancy item. It's now \$11; and it used to be for a three-month period and now it's for a six-month period.

Also, under the Homemakers Services, I understand there is an additional \$8.50 per month that can be given under that programme. The Minister of Health (Mr. Miller), I think, has indicated—

Mr. Martel: The Ministry of Health—just ignore them. They haven't met, Mr. Minister. They have had about two meetings. My research people have done some checking. They haven't even had the guidelines drawn up as to exactly where they are going. That's a waste of time, so don't get yourself caught up with that.

Hon. Mr. Brunelle: My understanding is that this matter is being studied by the Ministry of Health.

Mr. Martel: Oh they've had it since 1973, but they have done nothing with it.

Hon. Mr. Brunelle: Also, as was mentioned, I think a lot of this is an education programme. There has to be more education, in schools and in community groups.

Mr. Martel: I don't disagree with that.

Hon. Mr. Brunelle: The federal government, I believe the Department of National Health and Welfare, has a lot of literature and also does commendable work in making this better known. A lot of it is an education programme. Also, it is not just a question of income. There are many people today who earn good incomes and who also—

Mr. Martel: Don't eat that properly.

Hon. Mr. Brunelle: —have poor nutrition. They don't buy the proper foods, so one can't relate it entirely to income.

Mr. Martel: Yes, but Mr. Minister, the group I am asking you to talk to, to help, are the poor who are, in fact illiterate. You are going to educate them; but they ain't going to be there to educate, that's one of the problems.

I'm talking primarily of those whom we considered on Tuesday to be in the low income bracket. They are the poor, who are already the illiterate and the uneducated. The group you are not going to reach. That's my concern, that's the group I am talking about; where all the studies indicate they will end up with all the problems we outlined.

I don't know how you reach that group through an educational process because many of them are illiterate. I just make the point that if you've got several options open, you

use them all, you don't close one off. I think you really get serious about it, Mr. Minister; I just think you do. You take all the options that are available and you work on them all; education is merely one. But you can only educate those who are educated, or are in a position to be educated.

What are you going to do with the Indians on some of the reservations, Mr. Minister, in or around Moonbeam? How are you going to educate them? I don't say it to be facetious either.

Hon. Mr. Brunelle: I think if you were to refer to the native population on the west coast of James Bay and Hudson Bay, and those on the reserves—

Mr. Martel: What I am saying is the group I am speaking on behalf of now is the difficult group to get at. Even in the city they will be the difficult group to get at. How do you get to them?

I understand, for example in BC, that they have set up family service centres right in the heart of those communities and yet haven't been able to get the people to go to them, the people who most desperately need it.

For some reason, there is some mistrust or something, but it's there. One of the ways around it, of course, is to do the sort of thing I am suggesting you do. I am not saying that is the only thing you do, by any stretch of the imagination. I think the food habits are atrocious, but by the same token there is a long way to go there. I just think we are barking up the wrong tree.

I would suggest that in view of the fact you have an agency in Toronto willing to launch a whole variety of these programmes, you might consider putting in some money to assist Metro to see what can be done. Because as I say, if you couldn't get \$2,000 out of the Treasury Board, boy, are we in trouble. Are we serious about it, or aren't we?

The next point I want to go to—I want to try to get to them quickly now—concerns your raises in today's pay. Were they based on a detailed study of what inflation means to fixed incomes, or were they based on what the indexing was for the country as a whole? Or were they based on indexing at all?

Hon. Mr. Brunelle: Today's raises, as I mentioned in my statement in the House, were adjustments to compensation for inflationary loss on the purchasing dollar.

Mr. Martel: Yes. The question I raise is: Was that based on the increased cost of living on an average as it affects everyone in Canada; or is it based on an index of how those on

fixed incomes were affected by inflation last year?

Hon. Mr. Brunelle: I'd like to ask our economist, Mr. Glen Heagle, who is the Executive Director of Income Security.

Mr. D. G. Heagle (Executive Director, Income Security): Mr. Chairman, the answer to the member's question is actually neither. The consumer price index appears to understate the effect of inflation on low-income families. On both this raise and the raise in October, 1974, we tried to estimate for the additional impact.

When I say "neither," I am simply indicating that no one yet, including ourselves, has effectively developed an adequate low-income index. My staff is working on one now. We are in touch with Statistics Canada, which is working on one. What we are doing is taking whatever data we can get on low-income effects and we are extrapolating from that. The one in October 1974 was approximately 12 per cent for families. The actual consumer price index increase was 9.3 per cent. This one is more in the order of 10 per cent or higher for most families; and the consumer price index has changed to about 5.9 per cent. So in both cases the government's policy of periodic reviews has actually given a larger increase, recognizing that the consumer price index probably understates.

Mr. Martel: In other words, we are now working toward an indexing system which really takes into consideration the effects of inflation on people on low incomes and fixed incomes.

Mr. Heagle: Mr. Chairman, there are about five agencies trying to work out a more effective method; and we are trying to do it as well.

Mr. Martel: All right, that's excellent.

I must congratulate the minister on that clothing allowance. We are half way there, Mr. Minister. I suggested that too, and have for a couple of years; we have got one at last. That's a major breakthrough. I won't even put on the addition I was going to suggest. I won't be so miserable. I won't include that; unless somebody provokes me of course, then I'll put the little addition in, okay?

Mr. Chairman: Which wouldn't take very much.

Mr. Martel: It wouldn't take very much.

Interjection by an hon. member.

Mr. Martel: An escalator clause; after all the prattle to Ottawa about how they should

have escalator clauses, and you have been saying for two years that we should have an escalator clause, have you reached that stage yet? Have you convinced your cabinet colleagues, seeing that they thought we should have one under the Canada Pension Plan and we should have one under Old Age Security, and seeing that you people advocated, in your 1973 position papers, that we should also, where we are responsible for income maintenance, have an escalator clause?

Hon. Mr. Brunelle: I indicated this last year, Mr. Chairman, and our position is still the same. The policy of our government is that we do not support indexing or escalating clauses.

Mr. Martel: But you do, because you went to Ottawa and demanded that Ottawa introduce them; in your position paper, the one you presented.

Hon. Mr. Brunelle: Show me that in the position paper.

Mr. Martel: In 1973. The position paper presented at the conference dealing with Old Age Pensions.

Mr. R. S. Smith: Canada Pension.

Mr. Martel: Canada Pension and the supplement.

Hon. Mr. Brunelle: The position we made a year ago with reference to the Canada Pension Plan was that we said the ceilings were not realistic.

Mr. Martel: You are getting in trouble.

Hon. Mr. Brunelle: And we asked that they be raised; and they were raised.

Mr. Martel: No, no; you asked for—

Hon. Mr. Brunelle: With the consent of other provinces.

Mr. Heagle: Mr. Chairman, if I may answer the hon. member's question.

The point is quite valid. Ontario asked for indexing of the Canada Assistance Plan, but in relation to the indexing which existed at that time. The old proviso in the Canada Pension Plan was a maximum of two per cent regardless of how much the consumer price index increased. We had had years where there had been substantial changes in the consumer price index yet the Canada Pension Plan would only be increased by two per cent. There was no periodic review feature such as we use. It was simply done at the end of each year. Therefore, when we took the posi-

tion it was to eliminate that feature rather than go for a general trend of indexing.

Mr. Martel: I'm simply making the point.

Hon. Mr. Brunelle: Yes, but this is federal legislation.

Mr. Martel: No, no; you can't go to Ottawa and—

Hon. Mr. Brunelle: The basic Old Age Pension, the Guaranteed Income Supplement; they are all indexed.

Mr. Martel: But your request to the federal government was that they in fact have an escalator clause.

Mr. R. S. Smith: You can't have your cake and eat it too.

Mrs. M. Campbell (St. George): Can't you find enough Tories to fill the quorum call?

Mr. Chairman: They are not only Tories, they are members of the House.

Mr. R. G. Eaton (Middlesex South): It is probably some of you people who walked out and caused it the last time.

Mrs. Campbell: I caused it? You mean that because I'm not there every day you 74 can't get in there?

Mr. Eaton: Remember walking out.

Mrs. Campbell: Jeepers.

An hon. member: You cannot desert us.

Mr. J. F. Foulds (Port Arthur): Mr. Chairman, is there a standing order to govern this procedure?

Mr. Chairman: No, I imagine—

Mr. Foulds: Mr. Chairman, I move we do not adjourn for the quorum call.

Mrs. Campbell: I second that motion. You don't need a seconder.

Mr. Chairman: I think the House governs this. We are under the House rules.

Mrs. Campbell: No we are not.

Mr. Martel: Sir, you had better call a vote. We are all voting members. If Billy the Kid wants to be out on the hustings constantly, and so do the cabinet ministers, then the House shouldn't sit. There it is.

Mrs. Campbell: That's right. Why should we form a quorum every time?

Mr. Martel: The point I make, Mr. Minister, is that you take the sanctimonious position when you are in Ottawa that they should have an escalator clause, and then you come here and say that's in a jurisdiction that's not your own. You chastise them for not having an escalator clause, then in your own area, where you have jurisdiction over Workmen's Compensation in this province, and over GAINS and FBA and GWA, you won't introduce an escalator clause.

The hypocrisy of the position is what's nauseating. You Tories constantly look for war with Ottawa, you look for an argument to get an election issue. Old Billy is testing the water every day to see if he can find a vulnerable spot with Ottawa. You run off there in sanctimonious fashion demanding and pointing your finger for escalator clauses and in every place where you are responsible you refuse to introduce one; whether it be compensation, GAINS, FBA, GWA, you refuse them all.

Hon. Mr. Brunelle: Mr. Chairman, as I indicated previously there is some very good co-operation between the federal Department of National Health and Welfare and our ministry, and you—

Mr. Martel: So that you could introduce an escalator clause if you wanted to.

Hon. Mr. Brunelle: No I couldn't.

Mr. Martel: Why? Your cabinet colleagues wouldn't let you; right?

Hon. Mr. Brunelle: It is government policy. As I indicated last Monday or Tuesday, I think you'll appreciate that whatever is done in this ministry would have relevance to the Workmen's Compensation Board benefits—

Mr. Martel: And it should.

Hon. Mr. Brunelle: —and school teachers' superannuation and so forth. It would have bearing on all government programmes.

Mr. Martel: Teachers; how?

Mr. Foulds: Not a bad precedent, Mr. Chairman.

Mrs. Campbell: You'll do it if the feds do it?

An hon. member: Sure.

Hon. Mr. Brunelle: I think the feds are certainly not doing too much to try and restrain inflation.

Mr. Martel: Here it comes. But they've introduced the escalator clauses, which is more than you've done.

Mr. R. S. Smith: In this province? The last budget indicates our measures to restrain inflation.

Mrs. Campbell: Zilch.

Mr. R. S. Smith: You're certainly restraining it with your statement of today, I'll tell you that.

Hon. Mr. Brunelle: Are you against my statement of today?

Mr. Martel: He wants it both ways.

Mr. R. S. Smith: Yes; because it does nothing for the poor people except to take them where they were last October.

Mr. Chairman: Let Mr. Martel proceed, please.

Hon. Mr. Brunelle: You say \$36.5 million does nothing. I think the public today will disagree with you.

Mr. R. S. Smith: I don't care whether the public disagrees with me or not. That's your problem, everything you do is political. That's the problem with this government; and that's the problem with you and this ministry.

Hon. Mr. Brunelle: It's not political; these adjustments are warranted.

Mr. R. S. Smith: Either that or you'd have a catch-up amount in this estimate that would bring those people up to the poverty line. You want to keep people below the poverty line.

Mr. Chairman: Mr. Martel, you have the floor.

Mr. Martel: And you'd have an escalator clause to make sure they stayed there, once they were there. They wouldn't have to fall behind for another year-and-a-half.

Mrs. Campbell: Four years.

Mr. Martel: You'd have an escalator. It would mean an automatic adjustment.

Mr. R. S. Smith: You went three years without any increase whatsoever; you went down to Ottawa and complained about a two per cent increase down there, when you hadn't increased anything in your estimates for three full years. What hypocrisy!

Hon. Mr. Brunelle: What do you mean? We have increases. We increased them today. We

increased them in October, 1974. We increased them on January 1, 1974; and we increased them in September 1973.

Mr. R. S. Smith: What about from 1970 to 1973?

Hon. Mr. Brunelle: That's four increases in less than two years.

Mr. R. S. Smith: What about from 1970 to 1973? How many increases did you have? Not one in three full years, not one.

Mr. Martel: Then the first time around they raised it for only 75 per cent of the people in the province. You'll recall that one too.

Mr. R. S. Smith: So don't talk about what's going on some place else, just worry about what you do yourself.

Mr. Martel: If you think you have them caught up, or partially so, you might put your escalator clause in here so that the people would know they would never fall that far behind again.

Hon. Mr. Brunelle: I would say this, it would make it a lot easier for our ministry.

Mr. Martel: Okay, what you're saying is you can't get it by Treasury Board, I'll accept that.

Hon. Mr. Brunelle: I didn't say that. I said it would make it easier.

Mr. Martel: Sure, and a moment ago you said it wasn't the policy of this government. What in fact you're saying is you can't get it by Treasury Board.

Hon. Mr. Brunelle: I didn't say that.

Mr. Martel: You might not be saying it, but, boy, I can read between the lines.

Mr. R. S. Smith: If he can get something by Treasury Board that's not government policy he must be pretty persuasive.

Hon. Mr. Brunelle: I think Treasury Board has been very good to our ministry.

Mr. Foulds: You just blew it.

Mr. R. S. Smith: Well, from 1970 to 1973 you did nothing.

Mr. Chairman: Proceed, Mr. Martel, please.

Mr. Martel: I want to deal with several other things; on foster parents—

Interjection by an hon. member.

Mr. Chairman: Order, please.

Mr. Martel: You made a statement Tuesday night on foster parents that you can't justify. You made the statement when you were making a comparison of what I said on foster parents.

When Mr. Lewis was speaking you said to him: "You want all the people permanently unemployable to be on the GAINS programme; and your colleague from Sudbury East wants the money which is paid out to foster parents to be made available to the natural parents."

I tried to rationalize that. If you gave the natural parents what you're giving to the foster parents today, it wouldn't cost the province one cent more, would it? I wrote it down, you see. It wouldn't cost the province a cent more to support those children with their natural parents rather than have them taken out of the home and put into a foster home.

You're paying it out to the foster parent as it is; and you could probably pay less yet give the natural parents more to support the natural family.

Now that isn't what you said. I want you to tell me how you arrived at your comment.

Hon. Mr. Brunelle: What I said a couple of days ago, Mr. Chairman, was that to accede to the request of the mother-led union, and to give the same rates to them as we give to foster parents, would cost \$102 million extra.

Mr. Martel: Okay, and how much is in the budget this year for Children's Aid Societies? Some \$60 million?

Miss Crittenden: It is not far off that.

Hon. Mr. Brunelle: It's slightly over. It's about \$60 million.

Mr. Martel: It is in that neighbourhood.

Hon. Mr. Brunelle: You honestly believe that if we were to give the single parents, under family benefits—the same amount as the foster rates, that we would eliminate the need for children to be cared under Children's Aid Societies?

Mr. Martel: I think you would reduce—and I'm not just talking about mother-led families by the way—I think you would greatly reduce the number of children who would be in foster homes if you were to give additional financial support, which would in many instances prevent the natural family from disintegrating.

I think at the base of much of it are monetary issues. There is a statement in this book that says nine out of 10 children who are in

foster homes come from very low-income families—very, very low. Let me quote:

Not all the poor kids live with their own families; 50,000 Canadian children live in foster homes, and overwhelmingly they are children of poverty. There is no Canadian data that tells the exact proportions, but the British child development study again offers solid indication. It reports that the probability of a poor child being placed in alternate care is more than 10 times as great as for a non-poor child; that by the age of 11 more than 10 per cent of the disadvantaged children have been placed in alternative care, compared to one per cent of those from non-poor families.

I am suggesting to you that if that is the case, there has got to be a correlation between what is happening in those poor families and what is happening in the natural family where poverty doesn't prevail. Are you saying to me there is something amiss in the poor family? The mother isn't as capable of looking after the children. Or is there something else, other than the care a mother could provide or a father could provide. Is that missing in the poor families and not in the other income range?

I have to believe that it can't be just that they are that incompetent or that they don't have the ability. What I am saying to you is that in many of the cases it isn't a case of having to have the \$142.50 a month, but that in some of the homes it is a case of being in a position—if it is monetary—to provide a little more help.

I think one of the things you did today will help to alleviate it, and that is providing at least one shot of extra income for clothing, particularly for kids who are in high school. The difference starts to become very evident, which precipitates drop outs.

I am saying we should have some flexibility in our system. That extra money should be available—whether it be somebody on FBA, GWA; or whether it is mother-led or father-led; or poor, where the father could be working—if it can be proven by the social worker, who is out there looking into it, that the money would assist to overcome the things that are leading to breakdowns. We should be in a position to provide that extra money that would help to avoid that. Most frequently it is money, and maybe not large sums of money. But we don't even have the flexibility, and that is what bothers me, Mr. Minister. We don't have the flexibility.

I am told of cases—and I am meeting a lot of people from Metro Toronto who are working in the various agencies—of young girls who

will deliberately leave home for several months because they know in the foster home there will be a clothing allowance. And once they get the clothing allowance for a couple of months there is a temptation to go back home for a while, and then leave later on again. They move in and out; they get room and board allowances.

Mrs. Campbell: That was cut off; is it back again?

Mr. Martel: No; it is still there; or so I am told by the people I have worked with—Welfare Action Centre in Etobicoke and so on. This is still going on.

I am just saying we should have flexibility in our system, and we don't. We don't have the flexibility as a government, under your regulations governing FBA or GWA, to give an extra amount, if necessary, to head off disaster.

It seems to me that we should be moving in that direction, that frequently we could save the natural family with some counselling. I am hopeful, as a result of the meeting we have next week, that we will start to discuss the possibilities of preventive action. But you are going to have to change this Act, anyway under income maintenance, to at least have some flexibility.

Hon. Mr. Brunelle: I think we are all in agreement about the importance and the need for more preventive services. Again the federal government indicated last week that the Canada Assistance Plan will be replaced by a social services Act to be introduced early in the new year. This new Act will provide more flexibility. Some services will be universal and other services will be to special target groups. This provision of more social services could be most helpful.

Mr. R. S. Smith: Besides that, they are going to pay 70 per cent of the cost, let's not forget that.

Mr. Martel: Could I ask the minister a pretty direct question?

Hon. Mr. Brunelle: About 70 per cent of the cost on supplementation.

Mr. R. S. Smith: Yes, above your cost now.

Mr. Martel: Don't you, as a minister, find it pretty perverse that we would watch a family be destroyed, that we would pay \$140 for each child in that family to be in a foster home, and at the same time be paying, if we had the children in a natural home, \$74 per month if they happen to be a teenager, \$42.50

or \$45 if they happen to be under nine years of age? Don't you find that kind of perverse, that we'd watch the natural family be destroyed because of lack of money; and yet we take twice that amount of money we are paying and pay it in a foster home situation? Isn't there something just a little nauseating in that? As a minister, don't you find that disturbing?

Hon. Mr. Brunelle: No.

Mr. Martel: You don't? Well, I do.

Mr. Foulds: In Family Unity month?

Mr. Martel: Right, in Family Unity Month?

Mr. R. S. Smith: But after the election is over—

Mr. Martel: Yes, after Family Unity month and the election is over. You mean to say, you don't find it perverse that you would pay double to have children looked after in a foster home if it were monetary issues that would have kept the family together? Isn't there something sadly lacking in the state of Denmark?

Hon. Mr. Brunelle: Mr. Chairman, I am not familiar with the state of Denmark, but the—

Mrs. Campbell: Let's just say in the state of Ontario.

Hon. Mr. Brunelle: I think we are all in agreement that there should certainly be adequate income support. But at the same time, monetary consideration is not the only concern. What was mentioned earlier—social services, day care, homemakers' services, counselling services, debt-credit counselling—all these are—

Mr. Martel: I couldn't agree with you more. I am making one point, Mr. Minister. If monetary issues are at the bottom of this—

Hon. Mr. Brunelle: I didn't say—

Mr. Martel: Frequently they are. Shouldn't we have the flexibility to put into that home a little extra; let's say, over and above the \$74 you would pay for one teenager, rather than see the child taken out of that home by necessity and put into a foster home where we will pay \$142.50 a month to foster parents? You don't see anything wrong with that?

Hon. Mr. Brunelle: I don't think it's a good comparison, because foster parents—

Mr. Martel: I think it is an absolutely superb comparison.

Hon. Mr. Brunelle: There are support services they are supplying and there are additional expenses that natural parents sometimes don't necessarily have; so there are some good arguments.

I realize, Mr. Chairman, that part of it comes under this vote, but children's services, as the hon. member knows, will come under the next vote. Maybe at that time, Mr. Chairman, the whole matter could be pursued further, this whole question of—

Mr. Martel: Okay, but under income maintenance one would suggest you can talk about it. I just find it strange that you are willing to pay more to foster parents than you are to natural parents if it meant keeping the natural family together. I really find that strange. I would move heaven and earth to do it in reverse, because I don't think foster parents take the place of natural parents.

Hon. Mr. Brunelle: We agree that natural parents are often the best.

Mr. Martel: I only want to talk about two final points. I have a funny feeling about this ministry—why you left out the rates this time, God only knows; maybe it was because they were going to change.

But, Mr. Minister, could you have someone very quickly work out for me three groups of incomes? There is something strange here.

Under the GAINS programme, consider a disabled man with a wife and three children—make all the criteria you want; I don't care, as long as they are all the same—and compare that situation with a man who is unemployable and therefore on straight FBA, also with three children and a wife. Again, just make sure that the same criteria apply.

I would like to know how much of a difference there is between the two. I have a suspicion there is very little. I have a suspicion that in the GAINS programme you have watered down the wife's share. Have you got that suspicion, Dick? I have.

Mr. R. S. Smith: Yes.

Mr. W. G. Smith (Director, Provincial Benefits): It doesn't work out on an equal basis.

Mr. Martel: That's what I'm saying. You know, you can choose any standards as long as they apply in both cases, except that one man is on GAINS and the other man is on FBA for some reason.

Mr. Chairman: How many children did you say, Mr. Martel?

Mr. Martel: Three children.

Mr. Chairman: Three children.

Mr. Martel: Three children—as long as everything is equal except that differentiation. I would just like know how much difference there is.

Mr. Heagle: Mr. Chairman, I have the rates for GAINS disabled. Using a GAINS male disabled adult, his wife and three children, aged between zero and nine, the rate should be \$513, all up. The only difference between that and the rate for a permanently unemployable male with a wife and three children should be \$50, as of the new rate structure.

Mr. Martel: As of the new rate structure?

Mr. Heagle: Yes. Because with the general increase in rates for all family benefits recipients, not just mothers, the rate structure for the first person changes for the permanently unemployable person as well.

Mr. Martel: Okay. But there was a \$70 difference if you had a single man on GAINS and a single man who was permanently unemployable.

Mr. Heagle: Mr. Chairman, the member is correct in terms of the old rates. The new single rate for a permanently unemployable person, regardless of sex, has gone from \$170 to a maximum of \$190, as of the new rate schedule. The comparison that was made previously appeared sharper than it really was because we adjusted GAINS (d), the disabled, automatically; at that time we went from \$230.50 to \$240, all up, and that increased the discrepancy. The move today readjusts both—

Mr. Martel: Readjusts both.

Mr. Heagle: So the only difference should be \$50.

Mr. Martel: Okay. There are two other groups I want to talk about very quickly. A couple, both 65, gets \$480, while a family with three children gets \$513. Think of that: There is \$480 for two senior citizens whose expenses aren't nearly as high, while a family with three children, and the father on GAINS, gets \$513. We are talking about \$33 a month more.

Mr. Heagle: Mr. Chairman, the comparison, once you go into families, omits the federal family allowance of \$22.08 per child, in addition to our rates.

Mr. Martel: You mean to say there would be \$513 plus \$66.24.

Mr. Heagle: Mr. Chairman, \$66.24.

Mr. Martel: Still, again like my friend from Nipissing I am not trying to hit out at the mother input issue, but is there any comparison between the costs of that family with three kids as opposed to two senior citizens? It's a question no one is supposed to ask. Surely it too is strange, isn't it?

The other one is the one over 65 and one under 65 which you indicate, hopefully, the federal government will rectify come this fall. I want to tell you if there is a group in society that's hit like no other group today, it's that. I've spoken to the senior citizens' associations three times in the last year, I guess. I suggested pretty strongly to them that instead of just fighting for themselves they'd better start to consider that group too, which is really desperate. I don't care if the woman is 60 or 69, if the husband is over 65 and all they are living on is that minuscule amount, I don't know how they make it. It just don't She is not eligible.

Mr. Heagle: Mr. Chairman, I'm not sure I have the hon. member's question clear, but if the female spouse in that question is over 60, she is eligible for the incremental allowance for the second person under the Family Benefits Act, in addition to the GAINS revenue aged programme.

Mr. Martel: The GAINS?

Mr. Heagle: The GAINS aged programme is administered by revenue, Mr. Chairman. The spouse would be eligible for the allowance for the second adult under the Family Benefits Act, if she is 60.

Mr. Martel: That is \$240 plus what, over the old age assistance? It would give them a total income of what?

Mr. R. S. Smith: Maybe \$350; maybe now \$380.

Mr. Heagle: It should be approximately \$388 for two.

Mr. Martel: When you compare that to the \$480 for the other two, you are \$100 shy. If the wife happens to be 59, what then?

Mr. Heagle: I believe she is eligible under those circumstances for the general welfare allowance rate for the second one.

Mr. Martel: Which would be?

Mr. Heagle: I hope I have that table, Mr. Chairman.

Mr. Martel: It makes it even lower.

Mr. R. S. Smith: As long as she is looking for a job.

Mr. Martel: She might take in washing, if you would let her keep it.

Mr. R. S. Smith: And can prove to the welfare people she is looking for a job.

Mr. Heagle: Mr. Chairman, I don't believe we have the exact statistics. We can get that.

Mr. Martel: Roughly, though. It is lower,

Mr. Heagle: The difference is approximately \$10, Mr. Chairman.

Mr. Martel: Yes, the point I trying to make is don't you notice the discrepancy even in your own allocations? When you just take all those and look at them very quickly, don't you wonder where the fairness is?

Hon. Mr. Brunelle: Mr. Chairman, I think the reasons there are variations are that is according to need.

Mr. Martel: You can't wriggle out of that. You are telling me that both, at 65, need \$480, and I'm not disputing that for a moment.

Hon. Mr. Brunelle: Yes.

Mr. Martel: But if somebody is 64 and the other one is 65, don't they need \$480?

Hon. Mr. Brunelle: Mr. Chairman, I'm not disputing the fact—

Mr. Martel: Perish the thought of that.

Hon. Mr. Brunelle: —that those who are on family benefits need an adequate income. What I'm trying to say is that the aged are a special target group. They are eligible at the age of 65, whether they are millionaires or not.

Mrs. Campbell: Sure.

Mr. R. S. Smith: They can all vote.

Hon. Mr. Brunelle: Regardless of their income, it is a universal programme and they get the basic federal pension. Then on an income test they get the supplement. Then the province gives the GAINS programme to bring them up to \$240 a month.

Mr. Martel: Just look at it very carefully. It is possibly \$378 for a couple, if one is over 65 and the other is under 60. If one is over 65 and the other is over 60, they get \$388.

I think that \$378 is a little bit high, by the way. I have my suspicions. GWA isn't that close to family benefits. Compare what a couple with three children, aged five to 13, plus family allowance get, compared to a couple, both of them over 65, who get \$480.

When you just look at it and you say it's based on need, surely to God it is evident

where the greatest need is in that group? Talking in terms of need, it's the family with the three kids; and I'm not slighting the needs of senior citizens one jot. But when you talk to me in terms of needs, I say to you for a family with three kids, all under nine, their needs, their expenses, their costs, and everything are higher and more frequent. I just make the point that your own system doesn't have a very fair base.

Hon. Mr. Brunelle: Mr. Chairman, today I mentioned the case of a woman with three children, ages 10 to 15, with the family allowances, who will now be getting \$489.24, with OHIP, free drugs, dental treatment for the children and so forth. She can earn another \$100, plus working expenses up to \$35. Then, come September, she will be eligible for an allowance of \$25 per child under 12 and \$50 for those over 12. There is only so much money. I know to you people money is no object.

Mr. Martel: Oh, now you're getting personal.

Hon. Mr. Brunelle: Budgets do play an important part. If we had extra money, we would seriously think of those people who are low wage earners. For instance, does dental care for children, not also command high priority? And I can name many other examples.

What I'm trying to say is we're trying to give an adequate income to those who are unable to work, but at the same time we must recognize other things. I know what your thinking is, that if they can't pay a decent wage close those factories or let them close by themselves. In the case of the textile industry, the tourist industry, restaurants and so forth, there is a limit to the amount of wages they can pay. I know you would say they should be paying \$3 or \$3.50 an hour. That is why this whole question of income security, again coming back to the federal-provincial income security conferences, is trying to provide a basic income to those who are in need due to disability, to those who are unable to work or can't find work; and to those who are working at a low income to supplement their wages.

Mr. Martel: As I say, I just want to make some comparisons as one looks at them. I had to suffer the indignity of listening to the Treasurer (Mr. McKeough)—you have to take that into consideration—as he boasted about the GAINS programme and that it was the highest one in Canada.

Hon. Mr. Brunelle: That's right, it's a good programme.

Mr. Martel: It's 15 cents higher than BC per month, except that BC starts to pay the Mincome, which is similar to our GAINS, to women at age 60. So the Treasurer was playing around with dynamite. You had the highest rate, but only in one area, by 15 cents. But the overwhelming majority of people were much better off under the programmes in British Columbia. He didn't mention that.

Hon. Mr. Brunelle: You must keep in mind, as was mentioned before, the Ontario tax credit that gives to some between \$200 and \$300.

Mr. O. F. Villeneuve (Glengarry): They don't remember that.

Mr. Martel: Sure, I remember it. Do you want to calculate it? Do you want to calculate both husband and wife, one under 65 and the other under 60, including your tax credit? Out there, my friend, the woman under 65 is getting, as opposed to Ontario, probably \$70 or \$80 per month more than she gets in Ontario. If you multiply that by 12, my friend, that comes to around the neighbourhood, I guess if my mathematics is correct, of \$1,000 at least, and that is a little more than your tax credit.

Another point I want to talk about briefly is special assistance. Thank God you took dentures out of the office in Sudbury. Tell me what you are going to do with the office in Sudbury? Not the provincial one—it is excellent—the municipal one.

Hon. Mr. Brunelle: As the hon. member is aware, I can't remember exactly how many members there are on the board but they are all municipal appointees, except one provincial.

Mr. Martel: Start by kicking him off.

Hon. Mr. Brunelle: We have had discussions and there are some ongoing discussions. We feel that there should be improvements and there are some ongoing discussions with the—

Mr. Martel: Do you prefer to discuss this privately? I am not going to bother discussing it in the estimates, Mr. Minister. I am just delighted to see that you have taken out of his hands dentures and glasses for people, because as you know it was a disaster, and maybe you can tell me later on exactly what you intend to do in the Sudbury office. It is yours, Dick.

Mr. Chairman: Mr. Smith.

Mr. R. S. Smith: I have been waiting here so long that I feel like—I don't like to go back over the same thing again but I guess we are going to. Is that a quorum call? That's all it is good for; we are not doing anything here.

I would like to go back to that nutrition question. I just have a few comments that I want to make on that and perhaps obtain a couple of answers from the minister.

As I understand it, there was to be some type of programme to ascertain whether this applied in Ontario or not. Obviously there was a decision made within the ministry, and within Treasury Board presumably as well, that it wasn't worth while to go ahead with any kind of study; that there were studies being done elsewhere that would provide the same information to Ontario as they would get if they did their own.

The nutritionist that was here this afternoon indicated what type of diet supplement is required for the expectant mother through the period of pregnancy. This minister then indicated that they are now giving \$11 a month instead of \$5.50, I guess it was—

Hon. Mr. Brunelle: That's right, for six months.

Mr. R. S. Smith: —for six months instead of three. What about the other three months? What happens for the first three months, where there is just as great a need? They can usually tell now after a few weeks. It is not like it used to be—it doesn't take three weeks to three months to find out any more. They have more refined tests. Perhaps in those months, the second and third, they need the nutrition as well as in the last six; and I think that is significant.

The real point I would like to make is how many people who are on FBA have a female in the family who is pregnant during the year? How many pregnancies do you have among your caseloads? I am not blaming your field workers or anything like that.

Mr. Foulds: The state has no place in the bedrooms of the nation!

Mr. R. S. Smith: I just want to find out how much work it would be to give these people proper instruction.

Hon. Mr. Brunelle: I don't know, Mr. Chairman, whether we have those figures.

Mr. Martel: They tell me the minister is pretty busy lately.

Mr. R. S. Smith: Apparently the north has the higher percentages.

Hon. Mr. Brunelle: It's the longer nights. Mr. Smith, have we any figures?

Mr. W. G. Smith: Mr. Chairman, I have figures on almost everything else, but that I don't have.

Mr. R. S. Smith: Maybe you can tell me how many people receive that special \$5.50 allowance and then we could get at it that way.

Mr. W. G. Smith: I asked for that figure this afternoon and the figure I got I am not satisfied with. We want check it tomorrow morning. I would prefer to leave that and give you a correct answer rather than give it to you now. It appears to me there was something wrong with the programme.

Mrs. Campbell: We agree to that. But there is certainly something wrong with the programme.

Mr. W. G. Smith: No. I mean the computer programme.

Mr. R. S. Smith: Across this province there are all kinds of establishments supported by the government either directly or indirectly. I am not suggesting whether I support them or not. I think they are a good thing basically. The birth control pill is distributed widely on a free basis and information on family planning—the same thing as birth control in most instances—is provided freely by all kinds of volunteer services, as well as by all types of government services, both within your ministry and within Health. But once a woman does get pregnant, the attitude is well, too bad, look after yourself; do what you like, but don't bother us.

That's an inhumane outlook on the mother or the young girl or whoever it is, whether she is a recipient of your programme or not. But I would imagine the maximum number per year under your programme would be between 4,000 and 5,000, and that would be a high figure. There must be some way where, when a person gets this \$11, that the field worker could go and visit that particular person and discuss with her, first, her regular nutritional habits, and second, what this \$11 is really for and what she should do with it. They should have a pamphlet in various languages which would describe what will happen to the child if, in fact, these preventive measures aren't taken for proper nutrition.

I think this is a simple programme. It could be established within your ministry and all your field workers could be trained to follow it quite easily. I think the cost would be negligible. It's just a matter of effort on the part of those within the ministry to get it going and do it. I think this would be better than any type of programme that you can start where you try to get people to come in. You and I know that generally the people who are on family benefits or on general welfare assist-

ance are reluctant to come in to obtain any type of information or to be provided with the information they require.

I would ask the minister if he would seriously look at the establishment of some type of programme like this that would cost very little, if anything, because you have already given the \$11 which would cover the extra cost as described by the nutritionist this afternoon.

Hon. Mr. Brunelle: Mr. Chairman, I think the point is well made by the hon. member. It certainly is a good suggestion to improve our programme, to make our social workers more aware of it so that they in turn could make the recipients better informed. Mr. Anderson may want to add to this.

Mr. J. G. Anderson (Assistant Deputy Minister, Programme Delivery): I think, Mr. Chairman, this is one of those things that you'll realize we have to exercise a fair degree of restraint with. We are dealing with a large number of people—I think 37,000 women in Ontario—the bulk of whom do not live with a man. Many are widowed, separated, deserted, divorced. They resent anything that comes through the mail or in the form of instructions from our worker which might even imply that for them as a group there is a likelihood of pregnancy. So unless it can be restricted to individual counselling at particular times for particular women, there is a fair amount of resentment of any kind of blanket suggestion to this type of person. So we must respect their sensitivities as well as trying to provide massive information. I realize that, generally speaking, this is the kind of thing that can go out on a blanket basis.

Mr. R. S. Smith: Oh, I am not—if you had listened to me, Mr. Anderson—

Mr. Anderson: I'm sorry.

Mr. R. S. Smith: I never suggested any type of mass mailing or anything like that. I suggested your field worker make a specific call on that person personally and discuss it with her. That is the only way I would suggest that it be done. And that is what I did suggest, as I am sure that the minister recognizes. I am not suggesting that the field worker find out that the woman is pregnant and start sending her stuff through the mail.

Mr. Anderson: Mr. Chairman, if I misunderstood I am sorry. But in that case we would say that our field workers would be prepared to undertake those kinds of discussions. But the discussions have to be initiated by the women themselves in many cases. You should

be well aware of the kinds of criticisms that come to our workers about personal questions, and harassment about personal life—unless the woman initiates the thing—

Mr. R. S. Smith: There is no question.

Mr. Anderson:—and in those cases our workers certainly would initiate immediately the kinds of discussions you are talking about, on an automatic basis.

Mr. R. S. Smith: I realize these are very personal things. You don't just walk into the house, sit down and say: "Well, I hear you are pregnant and so we will have a little talk about what you are going to eat from here on."

Mr. Anderson: There are allegations that our workers do that and used to do it with higher frequency.

Mr. R. S. Smith: Yes.

Mr. Anderson: It's a thing that we have tried to overcome in striking the balance that you would like and that I think our workers are trying to attain.

Mr. R. S. Smith: Obviously if the female is going to make the application for the extra \$11 a month there is no question that would be the time to explain to her how the \$11 a month could be spent, and on what types of supplement to her regular nutrition. It would be an opportunity at the same time to discuss her regular nutritional habits.

I am certainly not suggesting that we force things on people. But most field workers, I believe, are in a position with their clientele where they can sit down and discuss such things. If the recipients indicate they wish to make application for the \$11 a month, the opening is wide for the worker to sit down and say, "Fine, I'll take the application."

While they are taking the application they discuss what it is all about, what the money is for and why it is given. Just to give the money and not explain what it is to be used for is, for many of the recipients, just a waste of money and time. Not that the money would be wasted on something else, but it will be spent on some other need that is more pressing so far as the recipient is able to see.

I am not suggesting that we have a general mail campaign or a telephone campaign to all those in that position. But I think the ministry understands what I mean. It's not something that is going to cost anything and it could be really worthwhile.

Mr. Martel: Not like the mail campaign in Elliot Lake on Tuesday.

Mr. R. S. Smith: I don't know what happened there.

Mr. Martel: A massive mailing correspondence.

Mr. R. S. Smith: The minister indicated earlier that inheritances are not counted as part of the money a person can have—\$1,500 in most cases. Is that correct?

Hon. Mr. Brunelle: I didn't understand your question.

Mr. R. S. Smith: Well, if a person is on FBA they are allowed to have so much fluid assets.

Hon. Mr. Brunelle: That's right. The liquid assets used to be \$1,000. We made representations and this has been raised to \$1,500. I was hoping it could be raised higher because it has not been raised for the last six or seven years. But at present this is the maximum the federal government will allow—\$1,500 for one person, \$2,500 for a couple and, I believe, \$300 for a child.

Mr. R. S. Smith: And the minister indicated earlier today that small inheritances are considered as additions to that liquid asset.

Hon. Mr. Brunelle: I believe so.

Mr. R. S. Smith: Yes. I am right now dealing with your ministry in a case where a person inherited \$1,000. She had no liquid assets and it has been the decision of your ministry that that will be taken as income, rather than a liquid asset. I am just telling you—

Hon. Mr. Brunelle: Yes, I am sure, yes.

Mr. R. S. Smith: I am just telling you what it is. I said to the person with whom I was dealing on the telephone that I was of the understanding that a person could have liquid assets up to \$1,500. This person inherited \$1,000.

Hon. Mr. Brunelle: Is it the family benefits case?

Mr. R. S. Smith: Yes. Some months ago she received notification from the trust company that she would receive \$1,000. With this she went to the bank and borrowed \$1,000. She paid off a number of her debts, and for the first time in nine years took a trip. That cost her a few hundred dollars. The decision has now been made, apparently within your ministry, to consider that as income even though she has no other liquid assets.

I would like a specific statement from you so that I can go back to the person within your ministry and say this is what the minister

said, and this is the way that this should be ruled on. Perhaps from the director—I am not trying to put the minister on the spot on this. But it is something you happened to mention today, and it was sticking in my mind yesterday because I was so mad about it.

Hon. Mr. Brunelle: I would ask the hon. member for Nipissing that if he could give us the name and address of that person. There must be a misunderstanding because it is well known that a person is allowed up to \$1,500 in liquid assets.

Mr. R. S. Smith: Okay. Even if they inherit it?

Hon. Mr. Brunelle: Oh, yes, it doesn't matter how they arrive at it.

Mr. R. S. Smith: Even if they got it bootlegging, or whatever?

Mr. Martel: No trouble.

Mrs. Campbell: Don't ask the minister that.

Mr. R. S. Smith: Something else came up this afternoon that I thought was rather odd. It was said that during the war people became much more fit because of the nutritional restrictions place on them. There was all this talk that this put everybody in a fit condition and—

Hon. Mr. Brunelle: Do you not agree with the physical fitness programme?

Mr. Martel: Not if the Premier (Mr. Davis) is the chairman of the meeting.

Mr. R. S. Smith: I think that's a ridiculous question; I am not even going to answer it. Physical fitness is just like motherhood; we all have to agree with that.

Hon. Mr. Brunelle: Except we don't do enough of it.

Mr. R. S. Smith: But there are different variations of physical fitness. I don't think we have to be in a permanent state of emergency before we can arrive at a physically fit stage, or so that people on family benefits can become physically fit because of their nutritional requirements. I don't think we should have to be in a state of emergency, or in a state of war. And that's what was said here this afternoon, if you listened carefully. I pretty nearly dropped my dentures.

Mr. Martel: Not just the dentures.

Mrs. Campbell: That's right.

Mr. R. S. Smith: And I was going to apply directly to you for a new pair, but I—

Miss Crittenden: Mr. Chairman, I think the member for Nipissing is misunderstanding our nutrition expert.

Mr. Martel: Bring her back.

Miss Crittenden: I think the point she was making was what was found during the Second World War. It wasn't meant that people have to be starved or anything like that. I think it was pretty clear what she was trying to say.

Mr. R. S. Smith: Yes, well, what she was trying to say is that this society's eating habits are very poor, and I would agree with her.

Mrs. Campbell: We are not going to do anything about it. That's clear.

Mr. R. S. Smith: And I am no different from anybody else. I don't say I am any different, but on the other hand I don't think that this is a method by which we should bring physical fitness to those under family benefits. If that's what was meant.

I'd like to go through your statement but I won't go too closely into it because I know the member for St. George has covered it and so has the member for Sudbury East, at some length. But there were some things that did strike me.

First, when we came to shelter costs, where we have an increase that amounts to somewhere in the area of 17 per cent on the overall when you read the statement rather closely. I would think shelter costs in Metro Toronto over the past month have increased by much more than 17 per cent, although I stand to be corrected on that.

The other thing that bothered me was the fact fuel costs included in rent were increased by nine per cent. I think that is most unrealistic. Everybody including any of us here who had a home or were heating anything, knows that over this past winter the cost of fuel increased by at least 30 per cent. An increase in fuel costs included in rents of nine per cent is just ridiculous. If the landlord is going to raise his rent based on his increased fuel costs, it's going to be a lot higher than that.

Mr. Martel: In Ontario, it's 30 per cent.

Mr. R. S. Smith: Yes, and in the future, the short-term future, we certainly are looking at further increases in fuel costs that will be passed on either to the homeowner or the person who rents. The basic increases across the board amounted to anywhere from 10 to 13 per cent for those people on FBA.

I would like to go back to a remark I made earlier tonight. Between 1970 and 1973 there were absolutely no increases in FBA allow-

ances. We went almost three full years without increases in the FBA allowance. I don't care what anybody says, we were in here talking about it every year, and, within the third year, there was finally an increase. But, in that three-year period, the cost of living increased in Ontario between five and seven per cent. We weren't in an inflationary period, but there was a steady increase in the cost of living.

During that period the people on FBA allowances were behind by 18 to 20 per cent. They have never been able to catch up since. Any increases you have given, save and excluding the one today, which is higher than the increase from last October by perhaps four per cent, have never been enough to help the people catch up for the three-year period when there were no increases. That is the point I was trying to make in my opening remarks when I said, that to catch up, you have to give them between 20 and 25 per cent.

You had to give them 5.9 per cent, by your own statement here this evening, to catch up from last October. You have to give them 20 per cent for the three years from 1970 to 1973 when you gave them nothing. It became so bad by the time you finally did give an increase that people on FBA were literally starving. I say that unequivocally because I saw people who couldn't live on what they were getting because they hadn't received an increase in three years.

You know as well as I those increases weren't forthcoming. That is why I say that regardless of what you do here, on a 10 to 13 per cent average for FBA people, it's not making up for that 20 per cent loss they suffered in that three-year period, particularly when the government could have well afforded those increases. It was in a period of buoyancy in our economy, when employment was high, people were working, and incomes were fairly good. We weren't in an inflationary period. It was, perhaps, the best three years this province has seen in the past 20, yet those people on FBA and on General Welfare Assistance were allowed to slide back and back and back. They have never caught up. That is why I asked you in my opening remarks, and why I ask you again tonight, to review that situation.

You can say \$36 million is a lot. Certainly \$36 million is a lot of money, but if it doesn't reach the requirements of the people, it is not enough.

We're not talking about what is a lot and what is a little here; we're talking about what people really need. In that three-year period there was created in this province a class of citizen that was forced to live below the poverty line. Since that time, I have had no qualms

about the increases that you have given, because they have kept up generally with the cost of living increase. But you have never taken the steps to jump that three-year period and to make up for that loss.

I would like that explained to me in some way. I'm sure you will rationalize your way out of it some way. But when I go and look at what people got in 1970 and what they got in 1973, and then how it was increased since then, I don't understand. I look at the indicators of the increased cost of living between 1970 and 1973, or in that three-year period around there, I look at the lack of increase that came from here, and they just had to go behind. I'm not saying to you that it's your responsibility, because in most of those years you weren't the minister, but I am saying to you as a representative of the government that it is part of your responsibility.

Hon. Mr. Brunelle: Well, in addition to our own increases, the hon. member knows there were substantial increases in family allowances in the last year.—

Mr. R. S. Smith: Not in that three-year period.

Hon. Mr. Brunelle: Oh yes, the family allowances were increased substantially, I believe, on Jan. 1, 1974. They're now on the average of \$22.08 per child, and that is additional income. Quite true, it comes from another level of government, but nevertheless, it's income added to the families.

Mr. R. S. Smith: Oh, I am not disputing that at all. And without that increase, your people would have been in just terrible shape.

Hon. Mr. Brunelle: Also, the Ontario tax credit does bring benefit to these families. It varies of course, but to some it could bring as much as \$200 and maybe more. Housing is certainly a very important component in social assistance.

Mrs. Campbell: When you don't have it.

Hon. Mr. Brunelle: Well, I don't know off-hand what percentage, but we have a certain percentage. Those who are in subsidized housing are certainly better off than those who have to pay the regular rent.

Mr. R. S. Smith: In my whole district, which is a high incident district of FBA and social assistance, there are 55 families in geared-to-income homes, so it's negligible.

Mrs. Campbell: It doesn't matter anyway because when you increase, the rents increase

and it's just a bookkeeping entry for those people. They have no more disposable income.

Hon. Mr. Brunelle: The member referred to the period from 1970 to 1973 and that even with the increases today, they are still behind. I can be corrected, but my understanding is that the present level has eliminated the difference in the loss of their purchasing dollar. I could be corrected on that.

Mr. R. S. Smith: I can't believe that. I can't see where it could have.

Mr. Heagle: Mr. Chairman, the figures that we have indicate that if you put in the existing increase, and take the change in the consumer price index and the change in rates with the recent increases, they are slightly higher over that five-year period. In addition to that, there is the factor of the increase in family allowance. In addition to that, of course, there is the Ontario tax credit. So given all those factors, the absolute increase in rates over that five-year period would be greater than the absolute increase in the consumer price indexing.

Mr. R. S. Smith: Well, I just don't agree with that. I would have to have it shown to me.

Mr. Foulds: Doubting Thomas.

Mr. R. S. Smith: We will just look at it this way then. Under your new benefits, what are the benefits to the mother-led family with three children, one in the zero to nine group, and two in the 10 to 15 group? Somewhere in the area of \$4,300?

Mr. Heagle: Mr. Chairman, could the member repeat the age group again?

Mr. R. S. Smith: Yes, a mother-led family, no father. Two in the 10 to 15-year age group and one in the zero to nine group.

Mr. Heagle: Mr. Chairman, I have one that is close to that. A mother with three children, two under age nine, one between 10 and 15 years old. The new rate would be \$409.

Mr. R. S. Smith: Four thousand eight hundred and seventy-two dollars.

Hon. Mr. Brunelle: Yes.

Mr. R. S. Smith: And their tax rebate would, generally speaking, be in the area of \$275.

Mr. Heagle: That's correct, Mr. Chairman, in that area.

Mr. R. S. Smith: So that produces an income of \$5,150.

Hon. Mr. Brunelle: Have you got the family allowances in there?

Mr. Heagle: Plus the family allowances, which—

Mr. R. S. Smith: Don't worry, we won't forget the federal government. That's \$66; \$720 plus \$72, \$792.

Mr. Heagle: Plus drug benefits, OHIP, dental care.

Mr. R. S. Smith: Totals: \$5,889. The poverty line for that person right now is running at \$6,500.

Mr. Heagle: Mr. Chairman, the poverty line concept is an arbitrary line defined in income terms only. It does not take resources into account. The second qualifier is that it happens to be defined in gross income. That was the original construction of the poverty line, gross income prior to taxes, deductions, etc. Mr. Chairman, the figures that the hon. member has added up are net income, because there is no tax on social assistance allowances, or tax credits, or the benefits that we pay.

Mr. R. S. Smith: Under the new tax programmes there is no tax on that type of income for that type of family anyway. If you just look at your tax schedules you'll see that they wouldn't be paying taxes now anyway, either federal or provincial.

Mr. Heagle: Mr. Chairman, the hon. member is quite correct. But the way those were constructed, and the basis on which they have been escalated allows for deductions, work expenses, and so forth—that was their original concept.

Mr. R. S. Smith: No, but these are maximums. You said yourself that these were before deductions.

Mr. Heagle: Mr. Chairman, I am referring to the poverty line. And I am saying it was originally constructed by StatsCanada on a basis of gross income before any kind of expenses. Our allowances really come out as net income or take-home pay, any way you want to define it. So when you allow for those comparisons you have to allow for the difference in the income base.

Mr. R. S. Smith: And the difference in the income base is the taxes that would've been paid if there are taxes payable, which there aren't, and whether—

Mr. Heagle: Any work expenses that would be incurred in earning that income; social security taxes which still would be paid, such

as the Canada Assistance Plan, and unemployment insurance.

Mr. R. S. Smith: We'll take off \$150 for earning expenses, which is allowed under the federal income tax. Take off another \$150 to \$200 for the two per cent, \$120; it might not even be that much because half of it is paid by the employer in those other cases, so you are still \$400 short of the Statistics Canada poverty line, no matter how you look at it.

You guys can play with all the figures you like, but you come out short all the time, and that's the point. If you are under social benefits in this province—and FBA is better than General Welfare Assistance—you still come out five to eight to nine per cent below the poverty line. If you really believe that people can live below the poverty line, then as a government it's lost its social conscience.

Hon. Mr. Brunelle: Mr. Chairman, as the hon. member knows there are many people in this province who are low wage earners and who are having difficulty living on their present salaries.

Mr. R. S. Smith: I don't question that at all.

Hon. Mr. Brunelle: This has to be taken into consideration whenever there is—

Mr. Foulds: But you don't keep people down. You level them up, including the low wage earners.

Mr. R. S. Smith: Why did you not increase the minimum wage to \$3?

Hon. Mr. Brunelle: When it comes to the minimum wage, Mr. Chairman, this has been mentioned and I know the member has heard this before, if you raise the minimum wage too high, there are certain industries, especially textiles and others, which would be adversely affected and which may be forced to close. There are many people today who would much prefer to work than to be on social assistance.

Mr. R. S. Smith: You had better tell that to the Minister of Industry and Tourism (Mr. Bennett) because he said he wouldn't invest a plugged nickel in them anyway.

Interjection by an hon. member.

Mr. R. S. Smith: Tell him that. He should go around and encourage those places to stay open instead of saying he wouldn't invest a plugged nickel in them.

Mr. Martel: You supplement the working poor. You don't let them all starve.

Mr. D. J. Wiseman (Lanark): Did you take that nasty pill again?

Mr. R. S. Smith: The other point I want to make is that you had a supplementary programme—

Mr. Martel: Your attitude is to let them eat cake.

Mr. Chairman: Let Mr. Smith continue.

Mr. R. S. Smith: In regard to this overall question, you had a supplementary programme for the low wage earner which you said was going to go into effect last year with some municipalities. In the literature put out it was implied it was available to almost any municipality which wanted to come and get it. Of course, you could do that and even if you made it as wide open as all those windows, you wouldn't get any more than 20 per cent of the municipalities wanting to implement it and you know that very well. I thought there was to be a supplementary programme put into effect in at least two cities, Toronto and Kingston, last year. I have asked about this and asked about it and I can't even find out. What happened? Now you are saying it is a programme available this year. It will be in three cities this year. We are increasing it a bit even though we did nothing last year.

Hon. Mr. Brunelle: There are at the present time, Mr. Chairman, some ongoing discussions with Metro Toronto on a pilot project for wage supplementation. Two other cities, Ottawa-Carleton and Peterborough, have also indicated an interest in such a programme.

Mr. Martel: That was there last year and Metro Toronto forgot to advise its clientele the capital was there and to go and apply for it under the supplementary wage programme. That is why I asked in my leadoff if you would lay down the criteria you expected of these municipalities when they had money in the budget for it. Metro Toronto, to my understanding, didn't even advise its clientele nor the agencies which work with Metro Toronto.

Mr. R. S. Smith: This is actually a pilot project on supplementary income, through income supplementation. You cancelled one of those two last year after promising it for three years. You said we don't even need a pilot project. We know all about it. We've got all the answers from New Jersey and we are going to get the answers from Manitoba.

Hon. Mr. Brunelle: The one you were referring to was a different project. You were referring to the one the Province of Manitoba is presently undertaking.

Mr. R. S. Smith: What is the difference?

Hon. Mr. Brunelle: It's a five-, six- or seven-year programme and that is on the question of a guaranteed annual income.

Mr. R. S. Smith: What is the difference between supplementing low income earners and a guaranteed annual income? It's a semantic difference.

Hon. Mr. Brunelle: Yes and if you had been at this conference last week you would have found out that there is quite a difference in semantics.

Mr. Martel: Why don't you take the opposition critics with you once in a while?

Hon. Mr. Brunelle: There are different interpretations of what is meant by a guaranteed annual income.

Mr. R. S. Smith: That is right. Some people call it negative income tax.

Hon. Mr. Brunelle: Some persons think it applies to everyone regardless of income.

Mr. R. S. Smith: Those same people tell you to put on your sweater when you are cold.

Mrs. Campbell: Turn down the thermostat.

Mr. R. S. Smith: This whole thing amounts to —

Mr. Martel: Did you turn yours down?

Mr. H. C. Parrott (Oxford): Yes, I have.

Mr. Chairman: Order, please.

Mr. R. S. Smith: This whole thing amounts to dollars in the hands of the low wage earners to bring them up to the poverty line to start with. We can't bring them above the poverty line and leave others still below. One of the first things it has to do, obviously, is bring the low income worker, through supplementation, up to the poverty level. Whether you call it a guaranteed income or income supplementation or what you want to call it, it's all the same thing as far as my poor little brain can figure out.

If those guys you sit with in Ottawa can't put that together, there is something the matter with somebody. And I am not only referring to the guys in Ottawa, it is from the other ten or eleven provinces as well, because you can sit down there and talk all you like but if that is what you are going to argue about, we might as well keep you here and save you money. Because those things are basic. It's just basic intelligence to see that it is all the same thing. I find it very hard to believe.

Mrs. Campbell: Take the poor down with you to Ottawa.

Hon. Mr. Brunelle: You should speak to your federal colleague, the Minister of National Health and Welfare, on this.

Mr. R. S. Smith: I did speak to somebody there. I made a few notes. You got a statement out — it was a very nice statement — about what went on in Ottawa and you provided us with a communique that was an indication of what went on down there and was supposedly in unison. Now, this may be a communique that all the ministers from across the country put out but I really don't think that all the ministers across the country agree with it.

I think there are some things in it that are very good. I think there are some things left out that obviously should have been in. But your statement implies that everything is fine, right on schedule, this kind of thing. We have passed our first two-year mark, are moving towards our three-year goal, and within three years we will be in Valhalla. Well, I don't think you really believe that yourself.

But according to the federal government, they have a little different connotation of what was agreed upon down there, regardless of what the joint communique says. I don't mean the communique out of that joint, I mean the joint communique. The federal government committed itself last week in two major areas in the expansion of rehabilitation and support services for aged and handicapped. Is that correct?

Hon. Mr. Brunelle: Yes, that's right. This is in conjunction with the replacement of the Canada Assistance Plan by its new Social Services Act which will be introduced early in the New Year.

Mr. R. S. Smith: And they have also committed themselves to an expansion of federal supplementation in guaranteed income.

Hon. Mr. Brunelle: The guaranteed basic support programme with two components. The first is the one hopefully agreed upon early next year, or maybe even late this year, about income support for those unable to work due to age or disability or those who are employable but can't find work. And the special component is income supplementation to low wage earners by incentives. And this second component is going to take at least two years.

Mr. Martel: Oh, my God.

Hon. Mr. Brunelle: It is going to take at least two years. You should know some of the formulae they have brought forward.

Mr. Martel: You will recall you abandoned it all and placed all of your hope in the orange paper last year. You threw everything out the window, the baby, the bath, everything.

Mr. R. S. Smith: In the Orange Sentinel? I didn't know you read the Orange Sentinel.

Hon. Mr. Brunelle: And the third important item is that the present guidelines are being reviewed. These are guidelines to continue at the present time under the Canada Assistance Plan and this deals with definition: What is income? Also the family unit, ceilings on earnings, liquid assets. These are all matters that our senior officials are meeting on periodically.

Mrs. Campbell: Ask him the definition of the family unit.

Mr. R. S. Smith: But basically there has been agreement on the part of the federal government, I believe, to expansion of federal supplementation in guaranteed income.

Hon. Mr. Brunelle: In the press communique that was issued in February of this year, Mr. Lalonde referred to a two-tier system — income support and income supplementation. This last communique has different wording but means the same thing. I'll read it:

The ministers reviewed the progress which had been made on the development of a guaranteed or minimum income system. They noted that it had been agreed: (1) that the system should incorporate income supports for people who are unable to work or for whom employment cannot be found, and income supplementation with built-in work incentives for people who are working but whose incomes are inadequate.

And it goes on about how the support levels should be set for the provinces.

Mr. R. S. Smith: I must say that I've never seen such forethought coming from a government minister in all my life. I mean the federal government.

Hon. Mr. Brunelle: This was the federal government.

Mr. R. S. Smith: Yes, I know that. I know it's right. It's what we've been arguing about all night. It's really odd that there's a little different connotation on what I have here and what you have there. This is the federal —

Mrs. Campbell: Position.

Mr. R. S. Smith: — position to what was agreed on, and this —

Hon. Mr. Brunelle: What did I say that was different in my statement?

Mr. R. S. Smith: It just reads differently. It may mean the same thing but it doesn't come through quite so clearly. Perhaps we were more specific in our questioning than comes out in communiques. But I'm happy that you agree that this is what's going to happen, and I'm certainly looking forward to that, because it would really cut these estimates by about five days, which would be great.

Mr. Parrott: I'll believe that when I see it.

An hon. member: That would be impossible.

Mr. R. S. Smith: Then you fellows could make a quorum up there.

Mr. Martel: It's going well now that the chairman has settled down.

Mr. Chairman: You've been very quiet, Mr. Martel.

Hon. Mr. Brunelle: Mr. Chairman, maybe Mr. Heagle, who has been attending these meetings and working in between the conferences, would wish to add to this.

Mr. R. S. Smith: I have some more points that I want to bring out that I think are pertinent, but any time that Mr. Heagle would like to speak is fine.

Mr. Heagle: Mr. Chairman, if I may, aside from that I believe there was a point raised by the hon. member that wasn't answered as to Metropolitan Toronto and the other two municipalities. The situation there was that Metropolitan Toronto gave special assistance — that is dental care, shelter supplements and so forth — to the working poor and are doing it now. That part of that programme is operating. They started with cash supplements.

I believe Mr. Martel's comment was that the programme was not heavily taken up. That's true, and for that reason they have been negotiating a new design with us. That's why it isn't operating. Metropolitan Toronto and ourselves are working on it. Ottawa did indicate, at the time of last year's estimates, that it wished, too, to have an experiment. We've been negotiating designs since that time with Ottawa, but it was only an indication. Now we're into the detailed design phase.

I think part of the delay is the fact that the municipalities are finding, as we did, just how difficult it is to develop any kind of rational supplementation system that does not have adverse side effects.

Mr. Martel: Sure the communities should know that. The people in Metro Toronto, aside from the people involved, — the community

didn't know. That's what bothers me about it, and why I mentioned it on Tuesday and why I mention it again tonight, the community didn't know. None of the social agencies in Metro Toronto knew. The only people who knew were a small handful within the governing agency of Metro Toronto welfare. That's what bothered me, that it didn't get out to the community and there's no chance of making it viable or useful unless people know.

Mr. Heagle: Apropos of that point, Mr. Chairman, on the current discussions with Metropolitan Toronto, two of the points which we're discussing with them are, one, communication of the programme, and the second one is a system which will still work within the needs test but which will not, for example, require a member of the working poor to come down to a welfare office and, hence, lose time at work. In other words, an easier application system which is more suitable to the target group.

Mr. R. S. Smith: That's fine.

Mr. Chairman: Mr. Anderson.

Mr. Anderson: Mr. Chairman, just on that subject, and because of our familiarity with the situation here in Toronto and the press coverage, while it may be true that there was no advertising in the true sense of the word, I don't think it should be forgotten that everything that occurs at the municipal level is well reported, particularly in this area — at least one member present here knows that nothing escapes press coverage there. There was extensive press coverage at the time the appropriations were made for that particular item; in fact, it was disputed at some length by some of the suburban mayors to the point that it got particular coverage. But, again, I'm not suggesting that they couldn't have campaigned through the staff later during the year —

Mr. Martel: I'm not suggesting an advertising campaign. This government knows how to do that well. I'm just suggesting that you should mail a letter to the Social Planning Council of Metro Toronto, saying, "We have X dollars in the kitty," and they in turn could pass it on to the people affiliated with them. That wasn't done. That's my information. I happened to have lunch with some of the people from the Metro Toronto Social Planning Council and they didn't know a thing about it.

Mr. Anderson: Mr. Chairman, I would suggest the Metro Toronto Social Planning Council almost invariably covers the proceedings of that committee with such regularity, and their knowledge of the proceedings of that council

and the committee is so extensive, that I can hardly believe a thing such as the Metro budget would have escaped their attention.

Mr. Martel: I found it strange.

Mr. R. S. Smith: I would like to ask some questions on this. This programme really is being done under special assistance. What is the cost-sharing on it?

Mr. Heagle: On the demonstration programmes?

Mr. Martel: This says 50-30-20.

Mr. Heagle: I wish I could give the hon. member an accurate answer on that. We're negotiating what it is right now. We had one guideline prior to the guidelines that were brought out at the last ministers' conference a week ago. Now there is a new guideline, and the way we have designed the Metro experiment is slightly different from the guideline. Actually, we were discussing that point last Friday as well. The federal government have not yet given us a formal answer.

Mr. R. S. Smith: Is it going to be like some of the others where you people are going to escape without paying anything at all?

Mr. Heagle: That hasn't been our intention in this one, Mr. Chairman.

Mr. R. S. Smith: No, but it's been happening in the past on those 80-20 splits, where you people were just in between the 80 and the 20.

Mr. Martel: Didn't you know that the province is now picking up 30 per cent on special assistance?

Mr. R. S. Smith: Yes, I realize that, but they went for a long time without paying.

Mr. Martel: They signed an agreement.

Mr. R. S. Smith: I don't know that they're paying 30 per cent. Who are they paying it to?

Hon. Mr. Brunelle: What is the question?

Mr. Martel: Are you paying 30 per cent special assistance?

Mrs. Campbell: Don't kid yourself.

Mr. Martel: Are you paying your 30 per cent?

Hon. Mr. Brunelle: On special assistance? You're referring to —

Mr. Martel: Special assistance.

Hon. Mr. Brunelle: On special assistance it is, 50-50 — 50 per cent.

Mr. Martel: It is 50-50? Oh, then you're still out.

Mr. R. S. Smith: You're still not in the game.

Hon. Mr. Brunelle: It's 50 per cent special assistance and 80 per cent supplementary assistance.

Mr. Martel: They just lay the ground rules, Dick.

Mr. R. S. Smith: Would you explain the 50 per cent and 80 per cent?

Hon. Mr. Brunelle: Supplementary assistance is 80 per cent.

Mr. R. S. Smith: On the other you're paying 50 per cent and getting it back from the federal government, so you're not paying a nickel.

Hon. Mr. Brunelle: We get the cost sharing out of it.

Mr. R. S. Smith: Fifty per cent; in other words, it's not costing you a nickel.

Mr. Anderson: Mr. Chairman, that is with the exception of the major changes in the area of the drug programme, which was the major part of all special assistance. That's now a mandatory feature, and for that reason it's shared 80-20. So the major item of all special assistance is in the 80-20 sharing range now.

Mr. R. S. Smith: And, according to this statement tonight, you've taken over for your own people the cost of glasses, dentures—

Hon. Mr. Brunelle: And hearing aids.

Mr. Anderson: The dental care had already been provided to family benefits recipients.

Mr. R. S. Smith: That depends a lot on where you come from, what municipality you are in and so forth. I won't get into that, because I've been doing that for nine years. In fact, it's improving in North Bay—

Mr. Martel: Go ahead, give him a shot.

Mr. R. S. Smith: No, no; it's improving. Really, I've got to give him a chance.

Mr. Martel: Is it improving?

Mr. R. S. Smith: Yes, we have a new director there. I didn't really think it would improve, but it is improving and I've got to give the guy credit

Mr. Martel: Could you arrange for a new director for Sudbury?

Mr. R. S. Smith: The other thing I wanted to ask about, since you brought up the drug

plan—and this is within the purview of your ministry because it does affect the two different programmes, FBA and general welfare assistance.

Do you realize the people on general welfare assistance can get drugs that are not on the index, whereas people on FBA can't?

Mr. Anderson: Mr. Chairman, the municipality has the discretion to provide drugs under the General Welfare Assistance Act as an item of special assistance. If they do choose to provide the drugs, then whether or not they were within the formulary we would be required to subsidize them. In fact, the municipality can take the other alternative, that was suggested by you earlier, I think, sir; the municipality can reimburse a person for their expenditures for drugs directly on satisfactory evidence.

Mr. R. S. Smith: I didn't suggest that.

Mr. Anderson: I am sorry. It was Mr. Haggerty, in the same direction down here.

Mr. R. S. Smith: I didn't suggest a lot of things that he suggested.

Mr. Anderson: All right. I am sorry. If a person makes an expenditure and they can justify it to the municipality, then the municipality is quite free to subsidize them for the expenditure. In that case, too, the drugs might or might not be within the formulary. As long as the municipalities are satisfied to subsidize them, we would recognize that.

Mr. R. S. Smith: What percentage will you pay of that cost?

Mr. Anderson: That would be a 50 per cent item of special assistance.

Mr. R. S. Smith: Otherwise the recipient receives only those things that are on the formulary?

Mr. Anderson: Otherwise, yes.

Mr. R. S. Smith: But, there are people on general welfare assistance who are being provided with drugs that an FBA person can not get?

Mr. Anderson: I am sorry, I missed that.

Mr. R. S. Smith: There are people on general welfare assistance—this is just a small point, but it has been drawn to my attention by a few people who are starting to compare their pills. They always bring them to me to look at, because they think I should know what they are. And I guess I should, but sometimes I don't.

Take a drug like Hydergine—that's a peripheral vascular dilater. That is not on the index, because the people over there in Health have decided it is a useless drug; that's their decision. A lot of older people have been taking that drug for years and it costs \$12 or \$13 for a month's supply. When they go to get it, they are told by the drug store that they can't have it. But if a guy is 64 and he goes to general welfare assistance for his drugs, and if the municipality director is in a certain mood, then he gets it, even though it is not on the index.

Mr. Anderson: If that municipality has that kind of a tolerant attitude toward the thing and towards the situation, then the same municipality presumably could also get 80 per cent sharing from us on supplementary aid if they bought the same drug for the over 65, or if in fact they gave him the money to buy the drug on his own, it would be an item of supplementary assistance.

This is getting around another ministry's programme in a way we are not recommending that the municipalities follow; but if the municipality chooses to take this action to supplement any item of drugs, then we should be required to subsidize that.

Mr. R. S. Smith: Under the GWA Act is it not mandatory that the drugs be supplied to people on general welfare assistance—and the question of the index is not even mentioned?

Mr. Anderson: As an item of special assistance, yes.

Mr. R. S. Smith: No, just under the drug plan if they provide their card? If they provide their card to the druggist and they are on GWA, they can get any drug the doctor prescribes, regardless of whether it was on the index or where it is. It is charged back to that programme. I am not talking about special assistance or anything else; and that's the way it is working.

Mr. Anderson: I believe if the municipality is issuing the drug card, it can restrict the drugs to the formulary.

Mr. R. S. Smith: It doesn't have to restrict it.

Mr. Anderson: It doesn't have to restrict it to the formulary, but it can. So in that sense it is not mandatory. The municipality can say that the mandatory feature is the extent of the formulary.

Mr. R. S. Smith: Okay, but in effect what is happening is that under GWA a person who receives a drug card, and they all do now, can get any drug that is prescribed by his medical

practitioner covered by that drug card. But a person on FBA can only get those drugs that are included in the formulary. That is a real big loophole because you are clearly differentiating, in an opposite way to what you usually do, really I'm not opposed to—

Mr. Martel: Don't tell him, they will change it.

Mr. R. S. Smith: But it is really different because all your other programmes go the other way. They are better if you are on FBA and worse if you are on GWA. Here's the one thing that I have found after 10 years where it goes the other way. And you gave me that runaround about special assistance for about 10 minutes and I almost took it. I almost got hooked, but damn it, I knew I was right, because I have watched this happen. I watched over his shoulder as the druggist filled the prescription and I said, "How do you fill that under GWA, under that guy's drug card?" He said, "It's a GWA card, we don't have to follow that thing over there." I said, "That's really a surprise to me."

Mr. Chairman: Mrs. Campbell wishes to ask a question.

Mr. R. S. Smith: Yes, okay, fine.

Mrs. Campbell: Yes, just on what Mr. Anderson said. If I understood him, you do not encourage the municipalities to give drugs not on the formulary. Are you aware of the fact that when this came into effect, the Ministry of Health was very disappointed that the municipality of Metropolitan Toronto, for example, would not continue its practice of giving other drugs, and encouraged them in fact to continue their practice? Now shouldn't you two get together on something?

This is a fact. They encouraged Metro to continue their plan, which was to give drugs outside the formulary. You are saying you are encouraging them not to. No wonder the municipalities are mixed up. Could I ask you to answer that?

Mr. Anderson: Mr. Chairman, I'm not aware of the action of individuals within the Ministry of Health, but the Ministry of Health's advice to us was that they would discourage in every way municipalities providing drugs outside of the formulary. There could have been confusion at the time, because I think what actually happened in many of the municipalities was the opposite to what you suggested, Mrs. Campbell.

Mrs. Campbell: They cut it off.

Mr. Anderson: Many municipalities continued to provide the broader range. We ad-

vised those municipalities that we could not fail to subsidize them in spite of the fact the Ministry of Health was asking that they receive maximum co-operation with the implementation of their programme. Obviously they have great faith in the formulary and they do certainly go to some great lengths to indicate that many of the drugs being prescribed are not very effective for the purposes for which they are being prescribed.

On that basis they have restricted the formulary. I'm certainly not an expert on all of the range of drugs which, I suppose in some cases, they feel are being abused by the professions, and are not really effective at the costs that are involved.

Mr. R. S. Smith: I would just like to make another comment or two on this. I found that differentiation between two programmes very interesting. I don't think it is that costly to the province and I don't think it's really creating that great a problem. But you know the way people get together and compare. They are all taking the same drugs and they say, "How come your card doesn't cover this and mine does?"

Some of these came to my attention and I saw a guy filling out a prescription on a card for the drug Hydergine, and I said, "How the hang are you filling that prescription on that card?" He said, "This is GWA, they pay everything." I said, "Oh well, if they do, that's fine." I've heard that before, and this guy is the type of guy who's not going to get caught, let me tell you. He is going to get his pay.

The only other comment I would like to make is that generally speaking I do agree with the health programmes but not their index—what do they call it?—their formulary. What it has done is to the benefit of everybody in that it has forced the doctors to provide a proper type of medication. I think that's what they are trying to do really, more than be concerned about the cost. There are some things left off that formulary, and only six things were added last time. I would like to tell the minister there was no great addition to the formulary; there are still a lot of things left off which shouldn't be off. There are things they will pay for but they won't pay unless you go after them, and I think that's terrible.

For example, one of your people who was on the GAINS programme came to me with her problem. Her problem is that she needs \$120 worth of oxygen a month, so you have two choices. You put her in a hospital bed at \$85 a day or somebody pays for the \$120 worth of oxygen. Oxygen is the commonest drug we have. I would like to see any of us get along without it. Anyway, it's not included in the

formulary so I phoned over there to this fellow and said, "This woman has a prescription from her doctor for oxygen." He said, "We pay for oxygen but we don't put it in the formulary because it costs too much."

Now what the hell kind of programme is that? I said, "What about the cheap things? You don't put them in either because they don't cost enough, I guess." If you are not in that middle range in this province, you are not even in the game. This is what he said to me. He said, "We will pay for it. Just tell her to get the prescription and give it to Canox, which is providing her with her oxygen and send in the bill every month." That was a person on one of your programmes, the GAINS programme.

Mr. Anderson: Mr. Chairman, I really think that Dr. Dyer of Health—

Mr. R. S. Smith: I have spoken with him very often.

Mr. Anderson: —who is really responsible for the programme and all of the standards under it is far better equipped to handle these questions than anybody in our own ministry.

Mr. Chairman: There's no doubt they will pursue them in the Ministry of Health estimates.

Mr. R. S. Smith: No doubt I will because I know about as much about them as Dr. Dyer does, let me tell you. He has more degrees than I have.

We will get back to, shall we say, what the federal people believe the communique to say. After we get your second explanation there is general agreement between what the federal looks upon that communique as saying and what you do. After the second explanation, I think you are very close, really, in what you think has happened. The new system is to be brought in next year and the Canada Assistance Plan is to go out.

The federal government is looking for new types of legislation insofar as this whole area is concerned, insofar as its sharing in the cost is concerned, and I think that was included in your statement but I would like to ask what that means. Are they looking for a different system percentage-wise or are they looking for a methodology that's different or what does that mean?

Hon. Mr. Brunelle: I am reading here from the communique which says:

The federal government would be prepared to increase substantially its financial contribution over the 50 per cent which now applies to provincial assistance programmes

by paying two-thirds of the supplementation component of the guaranteed income system. It was estimated that this would result in the federal government assuming about 70 per cent of the incremental cost of the new system.

Mr. R. S. Smith: That is the guaranteed income supplement you are talking about. When I made that last statement I was referring to the new Act which will come in next year in place of the Canada Assistance Plan.

Hon. Mr. Brunelle: As far as the new Act to replace the Canada Assistance Plan goes, some programmes will be universal with costs borne entirely by the federal government, like information referrals, information on a universal basis. Others will be for special target groups. So it will be a series of sharing, depending on the target groups. This will be under the Social Services Act.

Mr. R. S. Smith: And under that Social Services Act you are satisfied that the proposals put forward as to cost sharing are acceptable to this province?

Hon. Mr. Brunelle: Yes, and especially, as it was indicated in the first part, where they are putting their primary emphasis. A major element of the new approach would be on a priority basis—rehabilitation services, and support services for the aged and the handicapped. The cost sharing for rehabilitation services for disabled people would be substantially improved by adding several services which have not hitherto been covered by cost-shared agreements. These include ground transportation facilities.

Sharing would also apply in services that are extended for the purpose of helping disabled people to become more independent in their homes instead of only when the services relate to employment. These would include home-maker services, meals on wheels, and day care for the elderly and the handicapped. We were entirely in agreement on a priority basis with these.

Mr. Chairman: We would inform the members of the committee there is a vote. Are we going to be much longer on these subjects?

Mr. R. S. Smith: Why don't we get them to call us when the vote is ready to go? Get the whip to do it.

Mr. Chairman: The Clerk is going to do that. We will proceed until they come to inform us. Mr. Smith.

Mr. R. S. Smith: Go until we get called. Okay? I would like to get this over with.

Mrs. Campbell: It is an estimate too, I believe.

Mr. R. S. Smith: The second part of the programme that I want is the guaranteed income supplement, or the supplementation for the low income earner, whichever you want to call it. As I understand it, from the federal point of view the new system to come into effect over the two- or three-year period will incorporate support for unemployables and those whose income is not up to a minimum level. You have said that and I think there is agreement.

The support levels were set by the provinces. That is the significant statement from the federal point of view, which is not in your statement. I would like to know if you are in agreement with that.

Hon. Mr. Brunelle: That the support levels should be set by the provinces?

Mr. R. S. Smith: Yes, I think that is the nub of the whole thing. If that doesn't go, your system is not going to work. You are not going to get agreement.

Hon. Mr. Brunelle: We are in agreement.

Mr. R. S. Smith: That's fine. Because that is what happened to your previous agreements. That is why you didn't get them. It has been a Quebec demand for years, that they have the say in their own province as to what the support levels will be on social services. The same is true in some other provinces. But Ontario has been very slow to come to that position, although I think they have been at it now for at least three years.

But on all these new programmes the Province of Ontario is in agreement with most of the other provinces, and now with the federal government, I presume, since they have made this statement that the support levels should be set by the individual province.

Confederation is based on just that. That is my interpretation anyway; everybody has his own. But the formation of a provincial government is also based on that. Is it your intention, when you implement these new programmes, to look at this province in a different way in different areas, so that there are different support programmes and different levels of support, depending on the area of the province and the need of those specific areas? Or do you think the guy who lives on the back 60 should get \$480 a month with his wife in a home that pays about \$30 a year taxes? What about a guy who lives in Toronto and pays \$700 a year taxes on a similar type of home,

and whose cost of living is likely 30 per cent higher than the other fellow.

You see, we look at the federal level and we look at equalization as the *raison d'être* for being a federal country, and I think we should look at our province on the same basis.

Hon. Mr. Brunelle: Yes, I think there is agreement there, but there are disparities among the provinces and within a province.

Mr. R. S. Smith: Right.

Hon. Mr. Brunelle: One point I would like to make is that we have emphasized at this conference, as well as the previous conferences, that sight should not be lost of the harmonization with the tax system. This, we believe in Ontario, is a very important matter. The whole question of taxation should be harmonized with whatever is done in the programmes.

Mr. Martel: What does that mean?

Hon. Mr. Brunelle: It would refer a bit to what the hon. member is saying. For instance, when you are referring to disparities, there are many factors enter into this. For instance, social insurance programmes should also be considered, along with the other programmes, such as workmen's compensation, unemployment insurance—all these social insurance programmes also have to be harmonized. This whole question of income security is a very complex and very difficult one.

Mr. Martel: It's almost like the rhythm way.

Mr. R. S. Smith: I fully understand that, but you are completely avoiding this question. I mean, all you did was recognize that I asked and then moved off on to something else.

Hon. Mr. Brunelle: To answer your question, if you are asking whether we would have different levels of support within the province, offhand I would say that I would think it would be very difficult to—again, if I can refer this to more expert people, either Mr. Anderson or Mr. Heagle.

Mr. Anderson: Mr. Chairman, the kinds of differences that you have suggested exist within the province can and quite clearly do exist within a municipality or within a small area. The aged person in an area where there is extensive use of public housing is an example, and where the income is geared to approximately 25 per cent or 26 per cent of the income of an aged couple it may mean that their shelter costs within this particular city, for instance, are quite comparable to those very reduced costs even in a rural area, whereas

the difference between that person and a person trying to rent public marketplace accommodation in Toronto can be a much greater disparity than between people in city and rural. So again, it becomes almost impossible to deal with those things except on a very individual case basis. You might find cities quite close together, such as Chatham and Sarnia, where in the latter living costs are very high, although the difference is only 50 miles apart and they might be considered within the same economic region. You look at someone who is living, as you say, on the back 40 but who has extensive transportation costs because one of the other might be sick and required to go into town by car or by some kind of charter accommodation all the time.

So it isn't simple even within Ontario to say that there are economic regions where certain things are fixed and as a result you can vary the allowances on that basis. We have really in Ontario only the one basis for variation and that is fuel allowances between north and south. We can be aware that even between north and south, although you may save money, in the north on accommodation, you probably spend more for food because of the food transportation costs. Taking anything north of the North Bay, I think almost automatically adds to food costs. Canned food and processed food all immediately go up in price as you proceed north.

These variations exist in the province but they exist within the smallest municipalities too. One of the advantages to needs testing is that you have some ability to cut the allowance to the individual's needs as examined. It is also a very cumbersome way of measuring a person's entitlement and it's objected to on that basis. It isn't a simple matter even here.

Mr. R. S. Smith: I am not suggesting that it would be a simple matter. But I am suggesting that there is a great variation in the cost of living in different sectors of this province. That variation is spelled out by the poverty lines that are established by Statistics Canada for different areas and for different-sized municipalities. They certainly do have a different cost of living for different-sized municipalities. There is not just one cost of living base for the whole of Canada.

Mr. Anderson: As you live in a bigger area you almost automatically incur higher transportation costs. Once you live in a community such that to get about in it involves transportation, as an example, then you have up to a \$10-a-week difference in living costs if transportation is part of that living cost. Certainly in a city the size of Toronto, you can't go anywhere

unless you have either a private car or travel by public transit.

In certain areas they can make different arrangements on this and our present legislation has always permitted that. The idea was that supplementation for high cost of shelter or high cost of living in a particular area could always involve the local community or the local authorities. For that reason, the allowances could be varied regionally on the basis of the municipal decision, with contributions from the federal and provincial governments through subsidies.

Mr. R. S. Smith: I understand that and I understand it wouldn't be an easy thing to do. On the other hand, it's very hard to arrive at an equity in so far as people are concerned unless there is some attempt made to equalize. I think the basis of the federal-provincial conference is equity and the attempt made there is to bring a base equalization at least, across the country.

I can well understand that to do that in microcosm, as it were, within a province, you might say would be even more difficult. But I think there is a tendency for the differential to grow and by the time we come to this three or four years from now the differential may be so glaring we might have to move to that. I just throw that out as something that I think is going to be worth while considering. Is the vote coming? Are they going to vote in the House at 10:20?

Mr. Chairman: Yes.

Mr. R. S. Smith: If they are going to vote at 10:20, Mr. Chairman, I'll stop.

Mr. Chairman: Can we carry vote 2602?

Mrs. Campbell: Can I ask one quick question first?

Mr. Chairman: Yes, Mrs. Campbell.

Mrs. Campbell: Could I get the new rate for a mother with one child under 10?

Mr. Martel: In the meantime, could I ask the minister one question while that answer is being looked up?

Mr. Chairman: Yes.

Mr. Martel: You have \$75 million for income maintenance over and above last year; you've announced \$36 million today. How do you account for the other \$39 million? What are you going to do with it? Are you going to announce more programmes as we get closer to the election or what?

Hon. Mr. Brunelle: In answer to Mrs. Campbell's question, for a mother and one child aged up to 9, the new rate is \$315 per month.

Mrs. Campbell: As opposed to two people on GAINS, the child really isn't counted.

Hon. Mr. Brunelle: With reference to Mr. Martel's question—

Mr. Martel: Mr. Chairman, I am willing to let the vote go if I can just discuss that briefly tomorrow. Very briefly.

Mr. R. S. Smith: Can I ask one further question? Why has GWA increased only seven per cent? That is what is in your statement today.

Hon. Mr. Brunelle: I am not sure about the percentage but there is a higher percentage on ordinary needs than on shelter. There is a difference between the two programmes. We give increased assistance to those on family benefits.

Mr. R. S. Smith: Are they better people?

Hon. Mr. Brunelle: No, except that they are long-term.

Mr. Martel: They don't eat as much. They can starve.

Mr. R. S. Smith: I would like to ask your people if I am correct when I say that it is seven per cent across the board for GWA, because every example in the statement—

Hon. Mr. Brunelle: It varies, Mr. Chairman. It varies depending on the size of the family and on their shelter costs.

Mr. R. S. Smith: You should have bettered your examples in your statement, because it certainly doesn't reflect that; it reflects seven per cent right across the board.

Mr. Martel: Mr. Chairman, I am willing to allow the vote to carry, provided I can just discuss that one item of the difference in expenditure tomorrow.

Mr. Chairman: Fine, we can discuss that under the main office vote, if the members are agreeable.

Mr. Martel: Okay, as far as I am concerned.

Mr. Chairman: When we resume, we will deal with vote 2601, except for Mr. Martel's query on vote 2602.

Vote 2602 agreed to.

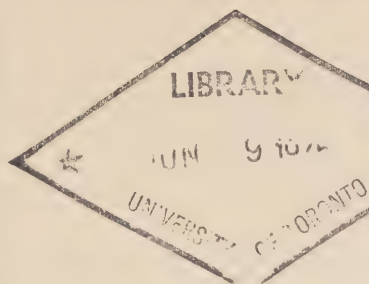
The committee adjourned at 10:20 o'clock, p.m.

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Ontario. Legislative Assembly

Legislature of Ontario Debates

ESTIMATES, MINISTRY OF COMMUNITY AND SOCIAL SERVICES

Standing Social Development Committee *S7*
Chairman: Mr. R. G. Hodgson

OFFICIAL REPORT — DAILY EDITION

Fifth Session of the Twenty-Ninth Legislature

Friday, May 9, 1975

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

THE QUEEN'S PRINTER
PARLIAMENT BUILDINGS, TORONTO
1975

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LEGISLATIVE ASSEMBLY OF ONTARIO

FRIDAY, MAY 9, 1975

The committee met at 11:10 o'clock, a.m.

ESTIMATES, MINISTRY OF COMMUNITY AND SOCIAL SERVICES (continued)

Mr. Chairman: Are we ready to proceed?
Mr. Martel, please.

Mr. E. W. Martel (Sudbury East): Yes, this year's budget for income maintenance, as compared to this year's estimates, is about \$75 million more; and you account for \$36 million or \$37 million through the programmes announced yesterday. In my mathematics that leaves about \$39 million. How do you use up the other \$39 million? What is it slated for?

Hon. R. Brunelle (Minister of Community and Social Services): I'll ask Mr. Anderson to give you some details on this. We anticipate there will be increases in the family benefits caseload.

Mr. Martel: Oh, is that right?

Mr. J. G. Anderson (Assistant Deputy Minister, Programme Delivery): Mr. Chairman, without trying to balance it as precisely as the \$39 million, in preparing the budget we took into consideration there was about a 15 per cent increase in the family benefits and general welfare in October of last year. That will now have to be carried through for a 12-month period, rather than the balance of six months. Then with the increase yesterday being required to go for a full 11 months, there is an additional expenditure there. In addition to that there were the appropriate adjustments in GAINS. There were GAINS increases on Oct. 1, Jan. 1 and April 1. Potentially there could be other GAINS increases during the year, because they seem to match the increases in old age security or at least in some way to be adjusted to those increases in old age security. Those are three factors.

Then there was a provision made for the higher unemployment rate which was anticipated, though not necessarily fully anticipated. As well as requiring some adjustments in the municipal allowances, it has a spillover effect into family benefits. It's usually assumed that some of the mothers who are in the borderline jobs, the peripheral jobs, will be some of

the people who are displaced and they will come back, in some situations, to the family benefits.

In all, with the increases that were approved yesterday, there might even be some demands over the \$75 million, because of the size of the adjustment yesterday.

Mr. Martel: I will bet you the Treasurer (Mr. McKeough) is praying. He has put all his eggs on an upswing this calendar year. It is interesting.

What you are telling me is the opposite to what the Treasurer told the people of Ontario and what the minister has just said. You anticipated possibly more people from unemployment on the FBA rolls. The Treasurer told us in the House that this wasn't a budget based on political promises for a campaign, but that he genuinely expected an upturn in the economy in the latter part of the year.

I see two different ministries going in two different directions. One is hedging its bets by making sure it has sufficient funds to meet an anticipated, as the minister has just said, number of cases as a result of unemployment. But the Treasurer said in the House, the government anticipates an upswing and therefore can have a deficit in an election year of \$1 billion.

The two just don't make sense. There is something wrong in the state of Denmark. You people anticipate more unemployment. Maybe the minister could tell me what gives. Why do you anticipate further unemployment while the Treasurer anticipates an upswing?

Hon. Mr. Brunelle: I think, Mr. Chairman, that this is a very difficult area. When the Treasurer presented his budget, he mentioned that it would take some time, but he was optimistic that the economy would improve. And so are we.

Mr. Martel: You are not so optimistic though.

Hon. Mr. Brunelle: We are anxiously awaiting the federal budget also.

Mr. Martel: But you are not so optimistic. You have allocated an additional amount and already indicated you anticipate a higher number of unemployed.

Hon. Mr. Brunelle: That's why we had a surplus last year. We do the best we can with the indicators we have.

Mr. Martel: Did you have a surplus last year? It's one of the little pleasures of working around this madhouse, that you alone have a surplus in 1974. What did you have for a surplus last year now that you mention it? What was the surplus in the income maintenance?

Hon. Mr. Brunelle: You indicated it a couple of days ago.

Mr. Martel: No, that was 1973-74 where you had \$20 million left over and couldn't find anywhere to spend it? What was the surplus for this year?

Mr. Anderson: Mr. Chairman, there was no surplus this year. We were required to go for supplementary funds to meet the income maintenance programmes for the last month of this year.

Mr. Martel: That's what I thought when we brought in the supplementary estimates, but as the minister said you had a surplus I wasn't sure.

Hon. Mr. Brunelle: No, you were referring to the surplus. I was referring to your surplus. That was two years ago.

Mr. Martel: No, I was referring to 1973-1974. I have that book in front of me. I wanted to know if it was a surplus. You said it was a surplus this year just past.

Hon. Mr. Brunelle: I didn't say it was a surplus this year.

Mr. Martel: If you check in Hansard, you'll find that you did. But the intriguing part of it is you have allowed for further unemployment while the Treasurer runs around the province beating his chest saying we are going to have an upswing when we have a deficit of \$1 billion. It's all so phoney, because I anticipate further unemployment too.

Mr. Anderson: Mr. Chairman, I don't want to try to hedge what I said—

Mr. Martel: No, the minister said that there would be further unemployment. I am not blaming you.

Mr. Anderson:—but in commenting on the provisions we are not talking necessarily about further unemployment during this year. We are talking about an increase that had occurred by the beginning of this year which was, I think, recognized on the Unemployment Insurance rolls by January and February.

Mr. Martel: That almost sounds like Mackenzie King saying conscription but not necessarily conscription.

Mr. Chairman: How can you argue with figures? The man said there already was an increase the first of the year. How can you argue with that?

Mr. Martel: Now we've got the chairman in the act.

Mr. Chairman: They're a fact.

Mr. Martel: The minister said they were hedging their bets against further unemployment. Now Hansard says that—

Mr. R. G. Eaton (Middlesex South): The benefits of some of those presently unemployed are running out. It's taking care of them, not further unemployment.

Mr. Martel: No. The minister said—I listened very carefully and I wrote it down to make sure.

Mr. Eaton: Are you not aware of some people in your area whose unemployment benefits have run out now?

Mr. Martel: Not in my area. We've got high employment. We moved the 4,000 out who didn't have jobs.

Mr. Chairman: I think your question has been answered.

Mr. Martel: My question has been answered. It's intriguing that the Treasurer says we're going to have an upswing and the Ministry of Community and Social Services—

Mr. Chairman: Only time will tell who is right.

Mr. Martel:—has plans for further unemployment. This says what the budget's all about, it's a hoax. It's an election budget and you and I both know it.

Hon. Mr. Brunelle: Most of these increases are in family benefits. The way the trend is in our society these days, there are more separations; this has been the trend in the last few years. Unless you have some magic formula to get these families back together—

Mr. Martel: I tell you I would do more than this ministry is doing. I would start to put in counsellors who make sense. I wouldn't go around begging to get credit counsellors, marriage counsellors. I'd hire some of them.

You still don't have a credit counsellor in the whole Sudbury district and probably the same applies in most large areas. Yet I'm told that one of the biggest reasons for marital disaster is

finances and you don't even see fit to hire financial counsellors. Don't give me the nonsense. To try to get a few bucks out of you to support the one in Sudbury, who is voluntary, is, like I said yesterday, like pulling teeth out of a chicken.

On vote 2601:

Mr. Chairman: Vote 2601; Mrs. Campbell.

Mrs. M. Campbell (St. George): Thank you, Mr. Chairman. I have been reading with a great deal of interest the statements from the minister on the objective and purpose of the main office. I note that part of the function is to co-ordinate strategic planning and provide analyses of programmes. I look at the projects which are here before us as bright new projects for International Women's Year and I think it speaks volumes for the lack of creativity in this ministry, if I may say so, Mr. Chairman.

Mr. Chairman: Order, please. We can't hear with you gentlemen carrying on your conversation.

Mr. Eaton: Go back to your own side, Elie.

Mr. Chairman: Order, please.

Mr. D. M. Deacon (York Centre): We can't hear.

Mr. Chairman: We can't hear a thing with you fellows carrying on your conversation. Carry on, Mrs. Campbell.

Mrs. Campbell: Under new projects, for example, we have a review of all ministry legislation to remove discriminatory wording. It's interesting to me that this ministry has moved in exactly the same way as the Ministry of Labour moved. There they decided they would eliminate discrimination and the one thing they did was to eliminate protection for women who work at night, at a time of violence which they now recognize to be of such importance that we have a royal commission.

In this ministry what you did—the only thing that I'm aware of and I'm going to ask the question of what else have you done?—was remove the discrimination in child welfare by ensuring, in unequivocal terms, that you would cover any ambiguity in the statute to make it abundantly clear that women were equally responsible, by court order, for maintenance of children in that statute. Notwithstanding that fact, you still maintained in the statute, however, the Victorian provision that the father would still dictate the religion of the child.

That is your thrust in removing discrimination in your legislation. I don't congratulate you on that by any means. When we look at the

other areas, they are token and meaningless for the most part. You want to catalogue boards and commissions to find out how many males and females are on them and their clientele. I think it is a good thing that you know their clientele; I think that part of it probably has validity. But to put it under International Women's Year indicates to me the kind of lack of creativity that we have been complaining about in this ministry; at least for the two years I've been here, and I'm sure from what has been said by others for a much longer period of time.

I know it to be true from my municipal experience in trying to create some change in outlook in the ministry. I would have hoped that at this time you might have had a project in International Women's Year, because I think it's an international humanities year.

You might have had a project which would look into the question of suicides and attempted suicides in children. Why would a seven-year-old boy try three times to commit suicide? Why wouldn't you think that was of importance in trying to determine whether or not there is something in your ministry or in its projects, in its programmes, in its platforms, in whatever it is that is missing, that is causing these children to come into this kind of depression? I would have hoped this would have been something that might have been a project in this year.

I would have hoped there was a project this year whereby you analysed educational costs. I have to put this largely on a basis of urban centres, to really zero in on the costs of education per se. And also to analyse the social costs which big boards have to handle, and which are not handled through your ministry.

It is important that this be done, not only on the basis of trying to eliminate the dreadful situation in education today, but also in pointing out clearly and unequivocally the roles of the social worker, psychologist and the psychiatrist in the school system, and the role of the teacher.

At this point in time they are a mess. They intermesh and nobody has any clear guidelines as to where they are going. As a result, you have people in the social welfare field making educational decisions. It can only get worse unless you clearly identify which is which and try to fund the schools.

As I say, it is a particular problem in the large areas. It may be true in smaller areas, and I certainly wouldn't preclude it in my remarks, but I can only speak from experience in a large urban centre.

Another thing I would have hoped you would have been doing, since you have the

thrust into incentive programming you might have been concerned about the causes of people going into the welfare field—that is into the welfare programmes.

I wrote to the minister and I wrote the commissioner of Metropolitan Toronto to ask what kind of survey, what kind of recognition there has been in the area of migraine as a cause of people being unable to work.

I have to tell you, Mr. Chairman, that until I became—and I'll admit my conflict of interest immediately—until I became a director of the Migraine Foundation, never having known a headache myself, I really was not aware of the importance of this particular area, and particularly with children.

At any rate I got a letter back saying, we don't identify migraine, we only identify the important illnesses. I would have thought that perhaps someone in this ministry might have sensed, might have learned, that migraine can be a very serious cause of a person being unable to hold a job.

When I look at the director of the Migraine Foundation, Rosemary Dudley, and recognize the fact she must use acupuncture needles when she flies because she is affected by barometric pressure; and that others who fly who have migraines have the same problem, I think we then have to recognize the in-depth importance of investigation of this particular matter as it may pertain to people coming on to the welfare rolls at whatever level they may be.

The member for Sudbury East was speaking about centralizing welfare here. I would be very sad to see that happen, I have to admit immediately that I was one of those who supported strongly, advocated and pushed forward the transfer of welfare to Metropolitan Toronto from the local areas. I have now completely changed my mind about the validity of that move.

We heard about the lack of advertising by Metro of specific programmes. I'm sorry to say this, with Mr. Anderson here, but it is very hard to follow what commissioners do at the Metro level. I can recall that we had a thrust at Metro, and through the council we supported the proposition of using volunteers in the welfare department because it was our concern that welfare itself cannot be licked just by dollars and it cannot be licked by programmes.

It needs an almost one-to-one basis to help people to gain new horizons and to have support services. What we had in mind in that area was that we should use in that field women who either had been on the welfare rolls or who could bring support to women

particularly. We got seminarians—that was the extent of the thrust.

I think we have to look to all sorts of things that will assist, particularly the woman on her own; but I certainly don't preclude the men either. Most people in the middle class, if you want to use those terms, since it's a middle income or upper income kind of thing, have people to call on when things get rough. The poor normally do not. There is no reason why you cannot mingle the two together to be of assistance, one to the other at times of stress. Nothing of this sort of thrust is indicated here.

I am not going so far as my colleague the member for Nipissing (Mr. R. S. Smith) went in condemning the statements made. I guess I'm in the position where anything that is done that may improve the lot of these people is something that I will welcome. But the difficulty is that all this ministry seems to be able to do is to patch up here, there and everywhere. We don't really have new thrusts; we don't really have new concern. The GAINS programme certainly was a new thrust; I congratulate you, as I did last year.

In philosophy, one of the things I would like to know is have you been looking at the effect, for example, of the amendments which permit children to leave school at the age of 14? Are they some of the people we are providing for in this budget? Nobody has ever said anything about that reduction in school age to 14.

Hon. Mr. Brunelle: This is just recent, Mrs. Campbell. It is a very recent change.

Mrs. Campbell: We are talking about statistics, for January, February and March of this year. I would think it's pretty recent there, too. I recognize the fact that is supposed to allow a child to leave school to enter employment. I would like to know whether you have examined it to see what kind of development there is going to be as a result of that legislation.

Miss D. Crittenden (Deputy Minister): Mr. Chairman, I have been working with the Deputy Minister of Education in this connection. It is their intention that under this legislation a young person between 14 and 16 who wishes to obtain training of a different kind from that offered in formal schooling, be permitted to have it, but they are still on the rolls of that school board and that school. They are still within the jurisdiction of that principal and those social services are provided by that particular school board.

There is at this point no overlapping of service between us and we are working with them to see if there is any way we can make it more

efficient. In point of fact, the lines are pretty clearly laid down about who looks after the 14 to 16-year-olds.

Mrs. Campbell: Thank you, Mr. Chairman. I am delighted with that explanation. I take it that the educational system is going to continue to bear the social welfare cost for that group as well as others and that this ministry is not going to be involved in that programme. Is that correct?

Miss Crittenden: Mrs. Campbell, at this particular time it is correct. We are working together to see what would be the most appropriate delivery system. At the moment and for this calendar year, the Ministry of Education is continuing to assume all responsibility in this area.

Mrs. Campbell: I think it points out, Mr. Chairman, exactly what I'm talking about. It seems to me that again this is going to put quite a burden on education at a time when there is a real effort to curb the costs. If many of these children opt in or out, or whatever the correct terminology is, I would think that you have to look—and should have looked, with respect—at the thrust of cost into the educational system.

I don't believe that education per se should related to the educational function. This, I think, has created many of the problems in education which we've seen in the past year and which I think we will continue to see until this is sorted out.

Mr. Chairman, I am not going to go on and on about it. I would like some kind of response, particularly on other legislation from which you have removed discriminatory wording. For example, what was in your heads when you took the step you did on child welfare, because I'm telling you it has had a very negative effect on the thinking of women in this community.

I want to tell you something, if I may, of a particular type of child welfare case. A mother who had been left to bring up her child alone, deserted by the father, finally concluded that notwithstanding support service she could no longer continue and she proposed to consent to Crown wardship of her child. Under the law, the deserting father had to be advised of her decision. He was not even in the province, and he wrote a letter from many miles away advising that he felt it was her responsibility to continue to maintain that child and to look after that child. I think it would offend most people that he could be in that kind of a position. However, that has been the state of the law. I'm not clear that there's been any change in it.

There is another thing that I would like to speak about under the main office vote. I would have hoped that there would have been some further investigation of the matter which I raised before, both in Justice and here—although I think the initiative has to come from you—of casting into legislation, rather than into policy changes, the fact that a child who has been permanently disabled as a result of a motor vehicle accident or some other accident, shall have preserved for that child the trust funds which are paid into court.

To clarify the situation, Mr. Chairman, you may know that when I came into this Legislature, it was the practice to force the parent or parents of such a child—usually a single-parent family was involved—to make application to the courts for the removal of all but \$1,000 of that trust fund, under pain of being cut off welfare, either municipal or provincial. It is to the credit of both ministries, it seems to me, that they expressed concern about that procedure. I also understand that they ceased that practice. I should like to hear whether or not that is true.

However, it does seem to me that if the government really believes that this is an inequity, that this is definitely one law for the rich and one law for the poor—as indeed it is, because in any judgement I've ever seen a wealthy child's parents probably are entitled only to the income earned on the trust fund for maintenance and the fund remains inviolate for the benefit of the child. It seems to me that this should be cast into legislation and not just left to be a practice which is followed now but may be changed tomorrow.

I've questioned whether any legislation is proposed. My understanding is that it is not proposed at this time.

I would appeal to you, and I would appeal to every member of this committee, to support that kind of request for legislation because I believe it to be unconscionable that we would proceed in any other way.

What happened, of course, was that that child not only lost its money, but that fund was used in effect to threaten a family and therefore the child was asked virtually to pay to the support of the family out of that trust fund. I would like a response in those areas if I could.

Hon. Mr. Brunelle: In regard to the last two matters, Mr. Chairman, the hon. member referred to the Child Welfare Act. I'm not aware of any changes that were made in the Child Welfare Act with respect to the religion of the child.

Mrs. Campbell: That's what I said; you made no change, but you did make the change

to make it clear and unambiguous that an order might be made either against the mother or the father, but the father retained the right to decide the religion of the child. I know you didn't make the change. That's just what I am complaining about.

Hon. Mr. Brunelle: The Child Welfare Act was amended, as the hon. member knows, about two months ago, and at that time I indicated the reasons for the amendments and that the Act was continually under review and there would be further amendments. But there were no amendments concerning the religion of the child.

Mrs. Campbell: That—Mr. Chairman, I am sorry—is what I am complaining about.

Hon. Mr. Brunelle: But I said, and again I repeat it, that the Act is continually under review and there will be further amendments, and if this is discriminatory, certainly we are prepared to review it.

With reference to the trust fund for children, as the hon. member knows, each individual case is looked into by the official guardian.

Mrs. Campbell: Can you now tell me what your experience is since the last estimates? Have you been pursuing parents to get the money out? What is the situation?

Hon. Mr. Brunelle: Again—and I can be corrected on this—we are involved, but this Act comes under the Attorney General.

Mrs. Campbell: The initiative has to come from you.

Hon. Mr. Brunelle: The official guardian does allow a certain amount. Each case is dealt with on its own merits. When it comes to assistance to the parents under the family benefits, again there are certain criteria that are laid down.

Just to give you the present policy of our ministry respecting funds held in trust with the official guardian on behalf of dependent children who are beneficiaries under the family benefits programme, this matter has been previously drawn to the attention of the ministry and the policy has recently been revised. This policy is based on the calculation of available income and resources in the determination of eligibility under the Family Benefits Act. For this purpose assets must be considered, including funds held in trust.

In conjunction with the official guardian we have developed a policy that allows for the circumstances of each case to be given consideration on its own merits. When a parent with a dependent child applies for a family

benefits allowance, the applicant informs us of the assets which are available. If any assets are held in trust by the official guardian, we request a special report covering such areas as reasons for the trust, extent of the disability, if any, specialized medical treatment and educational expectations of the beneficiary. On the basis of this report a decision is made with regard to the appropriate amount to be exempted. A recommendation is then sent to the official guardian for consideration and further action. In the meantime, if otherwise eligible, the family receives the full allowance to which it is entitled. Should the court choose not to release the funds for the purpose, the family's eligibility would not be affected.

Mrs. Campbell: Mr. Chairman, I could make remarks about speaking with forked tongue at this point. We are talking about incentives to people. Do we not recognize the fact that a child who is permanently disabled may indeed be able to make a life for himself or herself off the welfare rolls if he or she has the money available to them to assist them? If you are only thinking of money—I can't get through to this ministry in human terms, but let's deal with the money: If a child has lost a leg—as one of my constituents, a little girl, lost a leg—would it not be preferable to assist that child by letting it have the money which belongs to that child as a result of a negligent act of somebody else, and let that child have the money for educational purposes or whatever to enable that child to stay off the welfare rolls at a later date?

Now, that should appeal to you, because it's money.

Hon. Mr. Brunelle: If I understand it correctly, I am told that we have cases where substantial amounts of money are held in trust for the further education of these children. And again, Mr. Chairman, we also have to abide by the guidelines of the Canada Assistance Plan.

Mrs. Campbell: Could I know what the experience is in this area over the last year? Have you any idea how much money has been returned to you from a trust fund of a child?

Hon. Mr. Brunelle: We could get that information, but we haven't it available at the moment, Mrs. Campbell.

Mr. Chairman: We can get the answer on another vote, because social services comes under another vote.

Hon. Mr. Brunelle: Yes.

Mrs. Campbell: Thank you.

Hon. Mr. Brunelle: We'll have this information for you on the next vote.

Mrs. Campbell: Well, may I have some response to some of the other issues I raised?

Hon. Mr. Brunelle: You raised so many that—

Mrs. Campbell: Yes, Mr. Chairman, I hope to live to see the day when there are no questions to raise about policy.

Hon. Mr. Brunelle: Well, you must be—

Mrs. Campbell: Valhalla.

Hon. Mr. Brunelle: With the trend in society today, I think the social problems will be with us for many years.

If I understand correctly, you made a reference to social workers in the educational field, the relationship. Well, there is a good relationship now—maybe there should be more.

Mrs. Campbell: There may be in some areas, but there is a great dichotomy in the Toronto school system. Shouldn't you be responsible, Mr. Chairman, to the minister, for social programmes in conjunction with the educational system?

I am not suggesting that you divorce them completely from the school system, but should you not have financial responsibility for those programmes and permit the educational dollar to be used for primarily educational purposes? And you can argue that all these things are educational but that's a put-down. This would allow the educational dollar, which is rather less than it was under a former Minister of Education, to go to the educational needs of the community.

Hon. Mr. Brunelle: You may be right, but in my own view I would prefer that it remain the responsibility of the Ministry of Education. And where there is a need for social workers and so forth, that it remain more their responsibility. Now, I don't know whether I have some—

Mrs. Campbell: Well, could I ask if the ministry could look at the situation? Let's see what you get.

Hon. Mr. Brunelle: Yes, we would be pleased to look into it.

Mrs. Campbell: What about a survey of suicides and attempted suicides in young children? Would you be glad to undertake that survey? I would welcome it and I ask you to urgently look at it. You might get that experience through either of the two Children's Aid Societies in Toronto, to start with. I'm sure you can get it through the courts. But if

we could get something of that kind going, it might help you to see where your programmes may be lacking. It may not prove that, but I think it is something that should attract our attention.

Hon. Mr. Brunelle: This certainly can be considered under a research programme.

Now, you referred to the reduction in the school leaving age. I believe Miss Crittenden replied to that.

Mrs. Campbell: And you have virtually acknowledged, if I am not mistaken, that it could throw an even greater cost on education.

Miss Crittenden: Mr. Chairman, I should say we are watching this very carefully. The committee is a committee made up of the deputy ministers of Education and Health and myself. We are looking at several of these things that are happening and monitoring them very carefully to see if they can be done more efficiently as we don't want any duplication. This is one particular area that is being watched very carefully.

Mrs. Campbell: I'm not really speaking of duplication. I'm not satisfied there is duplication in the sense that the educational dollar is used for that purpose and not the welfare dollar. I recognize that you may be using social work dollars in the family, apart from that, for other purposes.

Hon. Mr. Brunelle: You also referred to projects that are International Women's Year?

Mrs. Campbell: Yes, I did. You really couldn't call those projects, not meaningful ones anyway.

Hon. Mr. Brunelle: We've had meetings with staff in more than 60 per cent of our districts.

Mr. Martel: Why don't you have another conference?

Mr. Eaton: What about men's year?

Mrs. Campbell: You've had men's year for centuries and centuries. I think you could give us one year. But it is humanity's year. That's what I'm trying to get to. Discrimination against men is something that women are fighting for just as hard as they are in the women's field.

Hon. Mr. Brunelle: I think we are all in agreement about sexual discrimination. You referred to child welfare. Perhaps you would refresh my memory as I forget what your comments on child welfare were.

Mrs. Campbell: Have you done anything about any other discriminatory wording or is that the only one? All I'm pointing out is that this government's programme to equalize opportunities for women is to take away from them something that they had before in one case and to make abundantly clear that there was ambiguity in another one.

Hon. Mr. Brunelle: I would say, Mr. Chairman, if Mrs. Campbell has any cases aside from the one she mentioned where there is discrimination we would be pleased to look into them.

Mrs. Campbell: And in the migraine situation, would you be prepared to undertake that kind of survey?

Hon. Mr. Brunelle: Migraine situation?

Mrs. Campbell: Yes. I'm amazed to find the universality of this problem in Canada. As a matter of fact, it may interest the minister that one of the things we had difficulty in getting funding for is the demand for French-language material on this subject. We're having problems right across Canada and I would not have believed it until I got into this to this extent.

Hon. Mr. Brunelle: You are the president, you were saying?

Mrs. Campbell: No, I am not the president; I'm a director. In England they have recognized it to the point that they have clinics where people who are working can go when an attack comes on and they can get treatment. As I understand, it does keep them in the work force because it's recognized as a leave of absence situation. They can be brought around and out of these attacks very much more quickly there. Here, people are just left and they may go on for weeks. As a matter of fact, I believe in this government there are some highly-placed people who have problems in this area and they are most concerned.

I would like to see this. If you are concerned about incentives maybe you can tie in whether or not this is a cause of people having to leave the work force. It's not a minor ailment, in other words.

Hon. Mr. Brunelle: On that, Mr. Chairman, we would be pleased to look into it also in conjunction with the Ministry of Health. I'm sure they must have some concerns.

Mrs. Campbell: They do indeed.

Mr. J. F. Foulds (Port Arthur): I would be glad to volunteer as a subject for the research team.

Mrs. Campbell: Do you have migraine?

Mr. Foulds: All the time. I have one right now.

Mrs. Campbell: You're spoiling it. You're the best and the worst to be here because you don't have any of the bizarre symptoms of some of them I've seen.

Mr. Foulds: Yes, I do.

Mrs. Campbell: Do you?

Mr. Foulds: Yes.

Mrs. Campbell: Then maybe you could get the point across since I can't.

Mr. Foulds: Set up a pilot project in the Legislature.

Mr. Chairman: Mr. Martel.

Mr. Martel: Yes; I want only to talk about one item. Have you decentralized beyond the paper pattern that's in front of you? Have you really decentralized your operation?

Hon. Mr. Brunelle: It's not proceeding as fast as we had hoped to, but we are progressing in that area.

Mr. Martel: How much budget have you given to the administrators of the five regions?

Miss Crittenden: Mr. Chairman, without appearing not to want to answer the question, in point of fact this is the last item. It isn't within this item.

Mr. Martel: Yes.

Miss Crittenden: We would be glad to give you the information.

Mr. Martel: Obviously you really haven't decentralized. It's the point I tried to make the other day with respect to the province determining to handle all welfare. It doesn't really matter, does it? The argument some municipalities have been putting forward is that you have to know the municipality. My argument has been that you take it all over; and you people allow your offices to decentralize and therefore be responsive to the area. I spent a good deal of time last year talking about this, trying to get some autonomy for those people who are running those offices and some cash, and a year later we are still in the process of moving from the paper jungle to the reality, and we haven't made much headway really.

Hon. Mr. Brunelle: Mr. Anderson, the deputy minister in charge of programme delivery, has some comments on the matter.

Mr. Anderson: It is true, Mr. Chairman, that we have not decentralized certainly the de-

cision-making with regard to the major benefit programmes, the individual decisions. But there has been, in the last six weeks, provided to every district director a budget to allow him to undertake a variety of programmes within his own area. By the time this item came up we could indicate as an example the specific areas for which the district directors now have budget allocations. This has, in many cases, to do with the operation and administration of the offices. But in the past six months the district directors and their staffs have been seriously involved in a number of discussions, particularly with regard to the allocation of daycare centres under that particular project.

The decentralization has taken place so that daycare consultants are working in almost every district office under the direction now of the district director, rather than under the direction of the old day nurseries branch. They are responsible there. The advertisements have appeared, the screening is going on and the selections are being made for consultants on aged too, I think for almost every district, at least one to every two district offices, and they will report either to area executive directors or district directors.

We have just recently completed what will be a significant procedure for allowing far greater management information at the district office level. We're hooking up all of the district offices to a direct communications system, so that each of our district offices now has its own Telex or TWX equipment. These are processes that are going forward and have only just really become effective in possibly the last three or four months, and there are certainly still major areas of decentralization that are going to require attention over at least a one- or two-year period.

Mr. Martel: I won't pursue them in this vote but I want to come back to it when we get to the last vote, because I think what you are doing is, you might have a few people in command out there but ultimately everything is going to be centralized in Toronto anyway. I don't see any decentralization. As long as you set the pattern this way within this ministry, then you allow those municipalities who want to retain the general welfare to make the argument that if you want to handle the immediate needs as a community you have to be different from this ministry.

That's the argument that you are using out there. It is a phoney argument, but you reinforce it, because I don't think there will be any autonomy out there, or very little. I don't think the budgets are going to be substantial enough. I think you can operate out of an office in Sudbury but virtually be a little Queen's Park

and be Toronto, while in Sudbury or Kenora or wherever you want. I have that feeling. You really aren't serious about decentralizing and most of the major decisions will be made here. I'll leave this item until we get to the last vote. We'll pursue it then—what the budgets are and how much autonomy they have.

Mr. Chairman: Mr. Foulds.

Mr. Foulds: I wanted to pursue this particular point raised by my colleague from Sudbury East. Isn't it true there was once a northwestern Ontario regional director for about an 18-month period?

Hon. Mr. Brunelle: Mr. Lawrence Crawford was the area director for northwestern Ontario.

Mr. Foulds: He never did make it into northwestern Ontario.

Hon. Mr. Brunelle: Yes, he was in Thunder Bay.

Mr. Foulds: Except for occasional flying visits he was actually working out of Queen's Park and he went out occasionally. Has that position now been done away with in that there is simply a northern director?

Hon. Mr. Brunelle: At the present time Dr. Cliff Williams looks after all of northern Ontario.

Mr. Foulds: All of northern Ontario? You've done away with the northwestern region?

Hon. Mr. Brunelle: No. As the member knows it is a huge area and there certainly is a need for someone in northwestern Ontario. At the present time, Dr. Williams is responsible for the entire area.

Mr. Foulds: In the meantime, while you're worrying about that particular part of the puzzle of the structure, would it be possible to upgrade the authority of the district directors in northwestern Ontario, seeing that Dr. Williams has such a huge territory to cover?

Hon. Mr. Brunelle: The district directors, Mr. Chairman, have substantial authority. They are responsible for all the programmes under our ministry.

Mr. Foulds: They're not responsible for the ultimate approval or rejection of benefits.

Hon. Mr. Brunelle: For the approval or rejection of benefits? This authority, even in southern Ontario, is still—

Mr. Foulds: Yes, I know that; that's the point about decentralization. If you're really going to decentralize you've got to decentralize

right through your programmes that way. Otherwise, as my colleague says, it's simply a paper transaction.

Mr. Anderson: Mr. Chairman, on that subject, unless you're going to infer that administrative discretion is going to be the criteria for granting such things as provincial benefits and you're not going to be bound by the Act and regulations which govern entitlement to the assistance and the standards of assistance, certainly I don't think there has been any intention that decentralization would involve different kinds of decisions on eligibility. We don't—

Mr. Foulds: I'm sorry that's not what I intended. There's no reason why the regional director, say, of northwestern Ontario can't make as intelligent a decision under the regulations—and make it a hell of a lot faster, frankly—than the process that needs to take place now.

Mr. Martel: Three months.

Mr. Foulds: The people you have in the field, in district area offices, are often bright and capable people. They can interpret the regulations just as well as people here but the processing, as my colleague says, takes three months. If you really had it decentralized, the process, within the proper guidelines, could take place more quickly, more effectively and more efficiently. That's what decentralization should be all about. Northwestern Ontario is a prime example of that.

Hon. Mr. Brunelle: Again, with reference to what Mr. Anderson has said, take the daycare programme for instance; that's under the district.

Mr. Foulds: Great. Transfer the other programmes as well.

Miss Crittenden: Mr. Chairman, I agree with the member on one hand but I think I should tell you some of the things that happen. You're talking about decentralizing the granting of assistance; under our present system we're linked up now with what we call a CUE system.

Mr. Foulds: Sorry; I didn't hear that.

Miss Crittenden: What they call the CUE system; I don't know where they got the name.

Mr. Foulds: The CUE system?

Miss Crittenden: Anyway, you can put your recommendation on a case on the Telex and it's in Toronto within a matter of seconds. In Toronto there is one group that works in relation to each office in the province, so that the second that information comes from Thunder Bay, say, it is dealt with by that unit.

Now, you mentioned the delay in granting a decision—

Mr. Martel: Three months to get a decision.

Miss Crittenden: Those delays are not caused by information being slowed down on a Telex or anything else. They may be caused by the fact that there are no medicals or only half the information coming in and our worker is trying desperately to get the rest of the information. In fact, the worker on the line in many instances is coming to the place where he or she is giving the final say to the person in Toronto.

I think you should understand there are some other things that would preclude that last step of decentralization that you are talking about. I have talked to the people in every other province in Canada to see how they met the requests that the public made for decentralization, to find out what their views were and how they solved them.

We are trying to come to an even better position than some of the provinces with this Telex system. One of the biggest problems is that times are changing so rapidly that you cannot change the rate—suppose you want to change the rates, as we are doing this month. It's impossible to change the rates in 22 offices overnight. If you are on a centralized computer that can do it, you can do it.

I talked to Quebec, who have their terminals in about 25 different locations along rural lines. Their computer is centralized in Quebec City and the computer still makes the decision in Quebec City. The only difference is that we use the Telex instead of a computer terminal.

In point of fact, our computer capability in many respects has more flexibility than in some of the other provinces where the terminals are scattered all over the province. In those cases, the computer is programmed in such a way that the second a person has either assets or earnings, the computer flashes "non-eligible," "non-eligible," and the computer is blocked until that number is taken off.

We have tried to use the best of all the systems in Canada to give fast treatment and to have cases not taken off unless the field worker has the data at that end. Then the case still has an opportunity to be told it is going to be taken off and to indicate to the field worker or the administration why it shouldn't be. That flexibility doesn't exist in most of the other provinces.

Whatever you do, you are going to lose something one place or the other. If you put in decision-making, then you can't have a fast change in rates. Given the fact that many of our rates are tied to federal rates, it wouldn't

be possible to change them every May, every April, every June, every August, as quickly as we do, unless we were on a centralized computer. We are trying to use the very best system, using the knowledge we've got from everybody else.

Mr. Foulds: Well, without prolonging this unduly and without getting into too heavy a confrontation on the item, I would like to comment very briefly that if you have a computer that is set up, a Telex system or what have you—and I must confess I do not fully understand the wonders of the electronic age and I'm resisting understanding them by nature—but if you have a system that can send information out or in, surely it doesn't matter—yesterday, for instance, you made a decision to change the rates immediately, wasn't it?

Hon. Mr. Brunelle: May I.

Mr. Foulds: That information can be fed into your computer and it can be received in Timmins, Thunder Bay, Kenora or Windsor within the few seconds that the information comes in the other way. I really don't—

Miss Crittenden: Mr. Foulds, I'm not an expert on computers either. I do know you have to have the drums and you have to have the computer installation at the other end to write the cheque. Probably there is a good computer installation in many places but you have to have agreements with every place to have the drums start to run on a new installation.

There are IBM installations and Remington Rand installations. There are a couple more companies. None of them is compatible. You've got to have a compatible system that is running all the way through. You've got to have a compatible system that can take the UIC to be sure that information is compatible. I have watched some of the things that happen and every system has some flaws.

Mr. Martel: It would be a simple system though, if you allow your district office to make the decision on the initial application. As it now stands, the Sudbury office will make the recommendation to the provincial office. You can argue as long as you want but I'm telling you to get a decision sent from Sudbury from the time the application is taken to the final date for family benefits is at least three months in every instance. Would it be possible to allow those people to make the decision up there?

They can send the file on to you for the second step that you talk about and you can make the changes like yesterday, with the files all here. My argument is that you hire competent people up there who are as skilled at

applying the rules and regulations as any you have in Toronto. And if they aren't, you fire them and you get competent people. That is what you pay them for, to do the job. If you find a mistake after it is sent to Toronto and you want to question it, then question it.

But surely it shouldn't have to come down here and sit in a file for two to seven weeks before a decision is rendered, which frequently is just a rubber-stamping of the recommendation made by your man, as Mr. Belanger does in Sudbury. You have your file here then once it is submitted and the cheques start. When you want to, you can make your change. My concern is, it takes too long.

Miss Crittenden: Mr. Chairman, I think Mr. Martel is making a good point. If it is taking that long, it shouldn't. We thought we were ironing the kinks out enough with the Telex and the computer to speed it up drastically. If what you are telling me is that it still isn't speeding it up, we will double-check. We've got experts looking at how to speed it up and we will continue to.

Mr. Martel: My information is that it still takes up to three months to get a decision, and that is what bothers me. The sooner I can get people off general welfare and on to a GAINS programme, that's what I am interested in. It takes three months, and I advise them all that it is not happening any faster than that.

Mr. Chairman: Mr. Deacon.

Mr. Deacon: Coming back to the matter of youngsters leaving school early and hopefully sometime re-entering the educational system, I think the minister might be interested that if you work out the costs of a youngster going and taking part-time training or the night courses in the system in our community colleges, it costs \$1,200 for a two-year course by means of night courses. It costs \$300 by means of full-time.

I think a lot of these youngsters are ones who are much better fitted to have practical work during the day and employment and part-time courses at night. The minister ought to approach the Ministry of Colleges and Universities with a view to changing its restrictions and its direction to the various colleges so that there isn't this discrepancy in cost of the course. I think it would do a lot to encourage these youngsters to go back into the system.

Hon. Mr. Brunelle: That is a good recommendation, Mr. Chairman. We will be pleased to look into it. The hon. member knows this is a relatively new policy of allowing them to leave at 14.

Mr. Deacon: Yes, and I think it is a good one. I support the idea because a lot of these youngsters lack motivation. By getting into the world, they begin to see some direction. They have a greater opportunity to see more direction and to come back in. So often it is related to them being able to continue some employment they have found, but hopefully to upgrade their skills through courses in the educational system outside our regular school system.

Mr. Chairman: Shall item 1 carry?

Item 1 agreed to; on item 2 then, Board of Review.

Mr. Martel: Briefly, Mr. Chairman, if I might, there are several questions I want to raise. The number of cases increased considerably. The minister said the other night it was primarily due to the number of applications as a result of GAINS. I believe that is what he said.

Hon. Mr. Brunelle: Yes, I believe there was a 40 per cent increase and the GAINS programme was responsible for a large percentage of that.

Mr. Martel: I see only 31 applications for GAINS D and seven for GAINS A—annual income, as opposed to disability. That accounts for only 2.9 per cent of the increase. Maybe there is an explanation for that. But as I look at page 1 of the summary of information provided for us up to the end of Dec. 31, 1974, there are only 38 cases in total but there is a—

Hon. Mr. Brunelle: Mr. Chairman, we have with us Mr. Borczak, chairman of the Social Assistance Board of Review. Mr. Borczak, would you comment on the increases, where they are and the reasons?

Mr. M. Borczak (Chairman, Board of Review): Mr. Chairman, I believe the members of the committee were provided with a document called "Sixth Annual Report." There was also another one called "Fifth Annual Report." The fifth report is a complete report and it is exactly as it will appear when the printed version is available shortly. The sixth report is incomplete. I think the first table indicates figures for the year, but the balance of the tables deal only with the period to the end of December.

What is not in that report, because we have not yet been able to bring the figures together in a meaningful way, is this area dealing with GAINS. The figures that appear there—31 cases are shown—are really basically those who applied under the Family Benefits Act, or under the Guaranteed Annual Income Act. Under

the Guaranteed Annual Income Act, I think we've had only seven cases—if my memory is correct. And this is where, of course, the Minister of Revenue is responsible for the administration of that programme.

Now, within the family benefits programme, for the nine-month period ending Dec. 31, there was a total of 934 appeals heard. Of those, we had 490 that were classified in our records as permanently unemployable.

What I can't tell you at the moment is how many of those 490 are appealing on the initial access to an allowance. Not all of these are necessarily people who are receiving an allowance as an unemployable person and are aspiring to be designated as a disabled person because of the financial advantage—and I don't have a breakdown of that. This is why we have left the figure out. We are working on that to try to extract that information so it is meaningful.

If I were to say to you now that 490 persons in that nine-month period are classified as permanently unemployable, I cannot tell you then what portion of those are getting the allowances of permanently unemployable persons, but wish to be designated as disabled persons. So, to that extent, the figure is incomplete.

Mr. Martel: Well, that is where the difficulty came. The minister said the other night that most of them were on GAINS. I am not questioning that, except it didn't show up as that in the tables before us; therefore there was confusion.

Hon. Mr. Brunelle: Instead of saying most, I should have said some.

Mr. Martel: Yes, it shows only 31—but the way Mr. Borczak explains it—

Mr. Borczak: The minister's statement was correct in that you can see more than half of the FBA cases are classified here as permanently unemployable; but it needs that other further refinement before it means what we want it to mean.

Mr. Martel: I wanted to ask the minister if he agrees to allow recipients to take before the board of review cases where they have been abused by the welfare officers. We discussed this last year. Several provinces now allow it; Ontario doesn't. As you know, the unhappy experience that many of the claimants are having in Sudbury—not in your office, but primarily the general welfare office—leads me to believe the only solution to it is by having it go before the board of review, because Dr. Williams, because of his concern, obviously advised the board in Sudbury they should have

some type of review—which they obviously rejected.

Let me cite an example: A youngster, nine years of age, with a dental problem, was refused dental assistance because the director wanted to get the father off welfare. I could see maybe wanting to get the father off welfare, but surely to God you don't use a child as the weapon to do it. Dr. Williams gives me the statistic. It isn't something I made up. Surely there has to be some sort of appeal against that. I think that's just intolerable.

I believe the two major recommendations of Dr. Williams have been turned down by the board there. One was to establish a study to find out just what was going on, which the board refused, as I understand, and the second one was an appeal board right in Sudbury to appeal against these decisions, which I understand has been turned down. If you can't intervene, Mr. Minister, then surely you have to establish a method whereby people who feel they are aggrieved can, in fact, make an appeal to the review board, presenting the facts, so that they can make a decision.

It's somewhat different from what we are doing now, but certainly it is being done on several other appeal boards in various provinces and I think it makes abundant good sense. I think if people are going to try to abuse it simply to get at someone that will be discovered. That's what we'll have the review board for. But the cases that are legitimate must be heard.

I don't know how to get around this. I was never so upset in my life as to see a child used as the weapon for getting a father to work. I get irritated with the father, too, because he doesn't want to work, but I don't use the child as the whipping boy—a nine-year-old child, in the middle as the lever. I think there has to be an appeal against that. Just open your Act up a little, Mr. Minister, and say people can appeal.

Hon. Mr. Brunelle: Mr. Chairman, I think the member makes a good point, but I am not sure whether the procedure should be by amending the Act and enlarging the powers, or by referring it to the role of the ombudsman.

Mr. Martel: I wouldn't mind seeing it stay here, because if you put it before the Board of Review, Mr. Minister, I think there is going to be some hesitation. I am not saying it's the overwhelming majority, I am saying it's a small minority who do it. But I think you'll put an end to the abuse that is sometimes heaped on welfare recipients.

Hon. Mr. Brunelle: Maybe I could ask the chairman or Mr. Anderson, but to me it seems

it would be difficult if we were to try to amend the Act to look after those circumstances, which I agree should not happen but which are unusual.

Mr. Boreczak: Perhaps I might comment, Mr. Chairman. Mr. Martel put it in the context of a situation where an application had been made for dental services. That brings us into the area, under the General Welfare Assistance Act, where it is special assistance and special assistance is not subject to appeal. One must look then at that question by itself, and the decision then has to be made as to whether that should continue as non-appealable or whether there should be a right of appeal.

Some provinces and some of the jurisdictions in the US have gone so far as to incorporate into their appeal procedures the kind of thing Mr. Martel has mentioned as the end effect; that is, that there is what appears to be a certain amount of abuse of the individual. You are not dealing here necessarily with eligibility for an allowance or something, but rather the manner in which the person is dealt with by the administrator.

There is room, I think, for that kind of question to be appealable. I don't know how it will work in practice. It may have a very salutary effect on the administrator if a matter such as that was appealed to the board and if the board, in fact, chastised him on the basis of the evidence put before it. It may have that sort of salutary effect. It has been attempted in some jurisdictions but I don't know though, how effective it is.

Mr. Martel: I am not sure how effective it is. I think if they are aware they can't handle recipients in a cavalier manner, we will see it disappear. I don't think it will, as long as the recipients know there is no recourse unless they come through a member or there is a lot of bad publicity about it which doesn't do anyone any good. Whereas if you had it through a review system when no one hears about it—you don't hear about the review cases being heard—someone could be taken to task quite nicely and advised, "From now on your attitude changes toward those people" because the sole purpose for them being there is to help people.

If there was some function of a welfare office other than helping people, I would think it could be different, but the sole reason for those people's jobs existing is to help people and they must do it. Actually the overwhelming majority do it well, too; I am not suggesting for a moment they don't. I just think if you step in, the same individual will come to the fore too often. If it is happening repeatedly he'll find out.

The minister knows. He has removed several people, one I believe from Windsor about a year and a half ago and one around Kingston. This was because MPPs brought some pressure or various groups either came to me or went directly to the minister or the member from the area. Quietly the individual disappeared.

Unless it is brought to my attention or to a member's attention, it continues. I would like to see in place a mechanism which would do the job quietly and very effectively. I think that's the only thing which appears sensible. Maybe there are other ideas, I don't know.

Hon. Mr. Brunelle: It is something we certainly will consider, Mr. Chairman.

Mr. Martel: I would hope the ministry would. You were talking to the chairman at the time, but certainly Mr. Borczak feels there is a place for it. Possibly you could give it careful consideration and introduce it, because I don't think it is a costly thing. I don't think it will be that frequent a requirement, but I tell you I think you should—

Hon. Mr. Brunelle: It is not the cost, Mr. Chairman. I think it is whether it could be effective.

Mr. Martel: I think so.

Hon. Mr. Brunelle: We will consider it.

Mr. Chairman: Mrs. Campbell.

Mrs. Campbell: Yes, I would like to understand, if I may, the relationship between this review board and the Medical Advisory Board when it comes to matters of judgement on disability for the GAINS programme. Is there any relationship? What is it? And how do your functions unfold?

Mr. Borczak: Mr. Chairman, I think this suggests that I might make some comment on how the board operates, even though I might be repeating what other persons have said on previous occasions here.

Mrs. Campbell: I was aware until GAINS, but I am not aware now.

Mr. Borczak: The procedure in terms of the initial application for an allowance, of course, involves the requirement that a medical report be completed by an examining physician and submitted to the ministry. This goes to the Medical Advisory Board which is an advisory board to the director of provincial benefits.

That board has a number of duties to perform. The regulations spell out fairly precisely, I think, what their duties are. Among those are

the requirement to examine the examining physician's report, to reach a conclusion as to whether or not in the Medical Advisory Board's opinion the person is disabled, and to seek out any additional information from any source which the Medical Advisory Board may consider necessary to assist it in reaching that kind of determination. If they feel, for instance, that the medical report is incomplete, if it leaves questions that need answering, naturally then the board have to seek out additional evidence. And that may be, as has already been stated, from hospitals, or perhaps from the examining physician. He may be asked to expand on any explanation that he may have given in the medical report.

On the basis of that, the Medical Advisory Board, under the regulations, makes a determination as to whether the person is a disabled person or not.

On review, the board has precisely the same kind of responsibilities and authorities, in terms of interpretation of the law, as has the director. The director has to take into account the advice he receives from the Medical Advisory Board, together with any other information that would help him to reach a decision as to whether the person is disabled or permanently unemployable.

The Board of Review has exactly the same powers. The board can then reach a determination. Notwithstanding the fact that the Medical Advisory Board has declared that in their view a person is not permanently unemployable, the Board of Review has, in fact, made a determination that a person was in its judgement a permanently unemployable person. It becomes in many cases a matter of subjective judgement as to whether in the circumstances the person fits within the definitions under the legislation.

Mrs. Campbell: Could I follow that for a moment? I can see the question of permanently unemployable, but what about the position of the Board of Review vis-à-vis permanent disability?

Mr. Borczak: The board has in at least one case made a finding that a person is disabled. The problem the board is facing now, and which it is trying to work out with the administration, is more a matter of being certain that the legal basis for any decision it may make is a sound one. It is largely a procedural problem at the moment. I think we are working towards a solution fairly shortly on this.

The board's position on this question of disability is that if it has something to indicate to it that there is, on the basis of objective medical findings, a finding that a person has a

major physical or mental disability, the board will accept that. The board will then introduce, as additional evidence, its own findings based on the actual hearing. Those findings will be on the oral presentation that is made. They will include also the visual advantages that the board has in that when the person appears before the board members the board members can form some judgement.

Certainly in the case of a physical disability that is apparent they can form some judgement as to the degree of disability the person may have. It is imperfect in that I have no doubt that it wouldn't square, necessarily, with the medical judgement. But it is a layman's judgement and it works from that point of view. If the board members see physical disabilities that in their view are quite limiting, and they believe the person is severely limited in his activities, then the board members reach that conclusion.

Mrs. Campbell: Supposing that a medical review board has found a permanent disability, which I am sure they must sometimes do, then it would never get to you.

Mr. Borczak: That is correct.

Mrs. Campbell: I see—you wouldn't be in a position of overruling their position on disability.

Mr. Borczak: That is correct. What you see happening in practice is in that statement of the sixth annual report, in table 11.

Mrs. Campbell: I am sorry, I haven't received it. But I am not a member of this committee, so that is why.

Mr. Borczak: It is interesting what has happened in the year just ended, which hasn't happened in previous years. You will see that there is a new item entered in there, "referred back." And 10.6 per cent of the cases that have come before the Board of Review have been referred back. Most of those are being referred back to the director and to the Medical Advisory Board for further review.

What is happening in practice is that in most cases that come before the Board of Review, the person has already instituted steps to obtain another medical. And so when the Board of Review hears the case it is in the position where it is aware of the fact that the Medical Advisory Board has made a certain finding on one medical report or supplements. In the meantime, new medical evidence is coming forward that is going on to the Medical Advisory Board. In some cases, the appellant brings that medical evidence to the Board of Review itself.

In all those cases, the board has taken the position that it shouldn't really make a final determination at that point, since here is new medical evidence that is being provided and the Medical Advisory Board has not had an opportunity of examining that evidence. We feel that the Medical Advisory Board should first be given that opportunity to examine new evidence. The appeal board then refers that kind of case back. This is happening with increasing frequency at the present time.

Mr. Martel: Would you permit me a question? My understanding is if I make an appeal, I automatically continue to get benefits.

Mr. Borczak: That is the practice. It is not the law.

Mr. Martel: In other words, the local director, if he so chooses, can say, "No, I am not going to give you the benefits." Let's say I'm on FBA or general welfare and for some reason it is terminated and I appeal to the Board of Review. I was under the impression that one automatically continued to get benefits during the usual 40 days during which the appeal is heard.

Mr. Borczak: What I'm saying, Mr. Chairman, is that is not a provision in the law.

Mr. Martel: I thought it was.

Mr. Borczak: It is the practice. What is in the law, and what perhaps Mr. Martel is thinking of, is that there was amendment made to the legislation. The Family Benefits Act was amended fairly recently, giving the authority to the Board of Review to order that an allowance be paid during that period.

In practice, the Board of Review hasn't found it necessary to order that. The municipalities almost invariably continue the allowance pending the decision of the Board of Review. In practice, the power is there. It hasn't been necessary to exercise it.

Mr. Martel: There are some municipalities that don't.

Mr. Borczak: When that comes to the attention of the Board of Review, and it has on occasion as there have been a small number of cases, where they continue to crop up, and where that does happen, then the board orders the allowance to be continued.

Mr. Martel: Well, I had three—all the same.

Mr. Borczak: If that comes to the Board of Review, the board will order the allowance to continue and has done so.

Mr. Martel: We would have to draw it to your attention?

Mr. Borczak: Yes.

Mr. Chairman: May I ask the committee a question? Is there very much more questioning on this item? We have had a gentleman here with the Soldiers' Aid Commission, which I don't think will be very long.

Mr. Martel: That's my last question on the section.

Mr. Chairman: Mr. Deacon, do you have a question?

Mr. Deacon: Yes, I just wanted to have a chance. I noticed the number of appeals to the end of December have been 1,319 according to the report. What were they to the end of March, that is, the total heard?

Mr. Borczak: To the end of March in the first table, table 1, you will see in that summary a figure of 1,803.

Mr. Deacon: So it was higher than the 1972-1973 figure?

Mr. Borczak: That 1,803 again is not final, but all of the indicators are now that it will be very close to that. It is higher than it was last year and it now becomes, I think, the highest number—

Mr. Deacon: That you have ever had.

Mr. Borczak: —that we have had. It is a little higher than we had two years ago when we handled a few under 1,800.

Mr. Deacon: Is there a direct proportion between the number of appeals heard and the cost of operating the board? There must be a certain basic overhead.

Mr. Borczak: There is a basic overhead. The complement of the Board of Review is eight persons and has been for several years. That is an ongoing expense that must be met.

You will see from table 1 that there were 2,084 requests and only 1,800 hearings. Here are some 200-odd requests that have to be processed. Paperwork has to be done and this sort of thing and then they fall by the wayside. People drop off. They don't pursue it and so on.

There is a basic expenditure that is there whether or not any hearings are held. Then there is some correlation between the number of hearings and the expenditure. We have two members hear every case with the occasional exception for some unusual circumstances. The normal procedure is for two members of the board in all cases to hear the case in the locality of the individual.

Mr. Deacon: With the numbers having risen quite dramatically over the previous year, and things going up and down, is there that much of a difference in the actual operation? Was there a decline in costs, for example, between 1972-1973, when you had nearly 1,800, and 1973-1974, when you had only 1,300?

Mr. Borczak: The 1973-1974 costs were just slightly under \$451,000, while \$371,000 was voted, so we had to go for a TBO for \$80,000, bringing the expenditure up to about \$100 or \$200 below the \$451,000. The estimate for the new year is almost the same as the actual expenditure for the year.

Mr. Deacon: I see.

Mr. Borczak: We have had a considerable increase in costs, not in the actual rate structure paid to the members—the rate has remained constant ever since the board was established—but the number of hearings obviously has a bearing there.

Mr. Deacon: Yes.

Mr. Borczak: We found that our travelling expenses have gone up considerably. Transportation and hotel costs have shot up very sharply, so we've had very significant increases in costs in operations as a result of economic factors that go beyond the number of hearings.

Mr. Deacon: Then the \$448,000 in your estimates in fact may be pretty tight.

Mr. Borczak: We are quite confident that, on present indicators, it will meet the requirements.

Mr. Foulds: Item 6, Mr. Chairman.

Mr. Chairman: Yes, Mr. Foulds.

Mr. Foulds: I notice in the transfer payments you have only a small amount for the children's aid societies. What does that cover specifically?

Hon. Mr. Brunelle: Which society is that, Mr. Foulds?

Mr. Foulds: Under item 6, Mr. Minister, there is a small item—I think it is only about \$6,000—for the children's aid societies.

Hon. Mr. Brunelle: Yes, this is an annual grant to the Ontario Association of Children's Aid Societies.

Mr. Foulds: This is for running the organization?

Hon. Mr. Brunelle: Right. Their head office is here in Toronto.

Vote 2601 agreed to.

Mr. Chairman: We will continue on Monday, right after the question period.

Mr. Martel: Mr. Chairman, could we adjourn? I would not like to start another vote with only 12 minutes left.

The committee adjourned at 12:45 o'clock, p.m.

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Legislature of Ontario Debates

ESTIMATES, MINISTRY OF COMMUNITY AND SOCIAL SERVICES

Standing Social Development Committee

Chairman: Mr. R. G. Hodgson

OFFICIAL REPORT — DAILY EDITION

Fifth Session of the Twenty-Ninth Legislature

Monday, May 12, 1975

Afternoon Session

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

THE QUEEN'S PRINTER
PARLIAMENT BUILDINGS, TORONTO
1975



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LEGISLATIVE ASSEMBLY OF ONTARIO

MONDAY, MAY 12, 1975

The committee met at 3:20 o'clock, p.m.

ESTIMATES, MINISTRY
OF COMMUNITY
AND SOCIAL SERVICES
(continued)

Mr. Chairman: I have been advised that the committee is on vote 2603, item 1, services for children.

On vote 2603:

Mrs. M. Campbell (St. George): Mr. Chairman, with the consent of my friend from Nipissing (Mr. R. S. Smith), I would like to open on this particular item. I am not going to dwell on some aspects of services for children in the light of the meeting which is taking place tomorrow to discuss preventive care. It is something which I personally welcome. I trust that something good will come out of it. Otherwise, we might have spent a great deal of time, from our point of view, on this particular matter, as I think we have in other years.

I would like now to go into the whole question of day nurseries and day care. I would first like to ask you about the funding which appears in this budget on this subject because I feel rather confused by the amount committed for the daycare expansion programme in the estimates of the provincial secretary, which I believe were \$14,853,226, while the actual expenditure, as I have it, was \$954,294, which created quite a shortfall.

The funds available in this particular budget, as I see it, just don't seem to cope with the needs of the expansion of these services.

I'd like to say at the outset that there are two statements which were made last year by the Provincial Secretary for Social Development (Mrs. Birch) with which I concur. One is that we have to expand the service and, two, that the service ought to give alternative kinds of care. With the rest of the statements, as you know, I was in complete disagreement.

I really wonder about the matter of the funding, having in mind the fact that it would appear that we lost last year, in capital unspent, something over \$2 million in this item. I understand that there is at least one project which has been forced into a deficit position,

and therefore forced to encroach on the new capital for 1975-1976. I would like clarification of that position.

Mr. E. W. Martel (Sudbury East): What new capital?

Mrs. Campbell: This was a capital loss, as I take it, from last year. With the kinds of funding that we've had in this programme, I don't see that we are making any gains in expanding it. I want to know now what we are dealing with in the matter of standards, being quite aware of the fact that we have an ongoing committee studying it. Where are our standards now? Where are we going?

I would like to deal specifically with a problem I had with a communication from a member of your staff when I was expressing a concern about what seemed to me the lack of supervision of some of the commercial schools in this area. It was stated to me there are many complex problems to be worked through in assisting an operator to initiate the opening of a nursery. Especially in the case of very large nurseries—over 100 children—it is difficult to control all aspects of the licensing process.

This created such concern in me that I pointed out that it would appear that if one didn't want to meet the establishment rules and regulations, all one did was to make it sufficiently large so that nobody could adequately investigate the conditions. I'd like to know what has been done to correct this kind of thinking. It scares me to think that if something is large in its operation, we are not going to have an adequate inspection of the conditions which prevail in the daycare field.

I think that there are children who are having problems now, and I wonder how long we'll wait before we correct some of these conditions. I would like to know how long we are going to go on dealing in dollars and cents for care, in that some of these schools are only paying the minimum wage to people who are functioning in the daycare field. It does seem to me that we should be having some thrust into ensuring that the persons who are in charge of children in these facilities are people involved in the learning process, and that they are recognized as such in the kinds of remuneration they receive.

I'd like a breakdown in this budget as to just how meaningful this is in relation to what was said last year. Is this ministry in a state of flux awaiting the advisory council's report as to whether day care ought to, in that one type of day care, be a part of an early learning process? Or are we still looking at it as a babysitting service while we await the report of the council?

These are the things that concern me deeply because I have seen the way in which children who have been brought into a programme from the deprived area have flourished where they've had excellent day care—through the Canadian Mothercraft Society and this kind of care for instance. You have put such a thrust on incentives that I would like to know if your incentive programmes carry through to a commitment to ensure that this child has the best possible start in the learning process itself.

I suppose we aren't going to get too far with any of this until this committee reports. Are you now considering this kind of day care as part of an early learning process pending their report? Or are you, in the alternative, considering it as part of a babysitting service pending their report? Which is your thrust?

Hon. R. Brunelle (Minister of Community and Social Services): Mr. Chairman, the hon. member for St. George referred to several matters. If I may I will begin with the last item, the advisory council on day care.

We certainly don't consider daycare services as primarily babysitting. We're interested in seeing that they are the type of services that are needed for the educational and social well-being of the children.

With reference to the interim report that was submitted in January, as the hon. member knows we have replied to their main recommendations, especially on the staff complement issue—that there be no changes until this matter had been thoroughly researched. We have also indicated to them that where they needed more assistance in research projects we would make staff available to them, and this is being done.

One of the other recommendations was dealing with—

Mrs. Campbell: Could I just stop you there if I may? I don't want to interrupt you, but when you make staff available is it the staff who wrote the internal report, or is it some other staff who might have more enlightenment in the subject?

Hon. Mr. Brunelle: No. Mr. Chairman, we suggested to the advisory council that they

suggest to us the type of research they wished done and we would provide them with the financial assistance. We would make available some of our own research people. If they wished to hire a consultant, we're prepared to do this. In other words, we have given them all the latitude necessary to do as thorough work as is possible in this area. We have also mentioned to them that we will not make any changes on the staffing at this time. We have also indicated that we're prepared to continue, as we have done, to pay whatever levels of funding that the municipal authorities decide. There have been no changes, and they will be submitting their next report some time in June—next month.

With regard to the matter you raised about paying wages. I think there was an article in this weekend's *Globe and Mail*. As you know the salaries are set locally. A daycare centre, municipally operated, has salaries set by the municipal authorities. We pay on a percentage basis, 80 per cent of the operating costs.

Mrs. Campbell: In that regard I'm speaking primarily of the commercial babies-in-a-basket programme that we seem to have developed in this area—the commercial operations where they admittedly have been employing—at least they said so on television—people who were not qualified as we would expect, and that, indeed, they were paying a minimum wage.

Hon. Mr. Brunelle: These are the private ones?

Mrs. Campbell: Yes, to which the municipality is committed in dollars.

Hon. Mr. Brunelle: Yes, some municipalities purchase services, but again I would like to reiterate that we do not set the levels of salaries. We pay to the municipalities 80 per cent of the operating costs.

Mrs. Campbell: But you set the levels of competency at the moment, and this is what I'm really getting at. Are you continuing to permit the commercial operators not to have the staff that we have been expecting under the old standards?

Hon. Mr. Brunelle: They operate, Mr. Chairman, under the regulations of the Day Nurseries Act and they must meet certain standards. They must have supervisors. They must have qualified personnel, and those which do not are closely supervised and are told they must adhere to the regulations.

Miss D. Crittenden (Deputy Minister): The standards have not been changed.

Hon. Mr. Brunelle: No, that's right. The standards have not been changed. The standards are still the same.

Mrs. Campbell: Then could I have some response as to what steps you have taken to overcome what is apparently a difficulty in supervising very large nurseries to ensure that they, in fact, do meet our standards?

Hon. Mr. Brunelle: They are inspected regularly. We have with us Mr. Ken Macdonald, the director of the children's services bureau. The private nurseries are inspected regularly and they just have to adhere to the regulations.

Mrs. Campbell: For instance, I've had an expression from a member of your staff that the staff of the bureau have, for some time, been expressing concern about this specific situation and are developing proposals for corrective action. All I want to know is what proposals have been developed for corrective action?

Mr. J. K. Macdonald (Director, Children's Services Bureau): Mr. Chairman, if I could answer that question specifically, we administratively have stepped up the frequency and numbers and distribution of timing of inspections of the larger nurseries. In addition to that, we have forwarded some comments to the advisory council concerning the structuring of size of day nurseries in general.

Mrs. Campbell: I suppose, apart from the frequency of inspections, this is also being held somewhat in limbo—if that's fair—pending the advisory council's report. Is that true?

Mr. J. K. Macdonald: Yes. I think the question of putting a maximum size on any day nursery operation is one which we would want to have reviewed and studied by the advisory council, pending any specific change in the Act.

Mrs. Campbell: I can see that you want some study of that. I think that's fair, but is what you are doing obviating some of the very real problems, which have been expressed to have been your problems, with these large schools?

Mr. J. K. Macdonald: I think the increase in frequency of visits has established our contact on a more frequent basis with the large operators, and made them more aware that we are concerned about their enrolments and their staffing and that we are prepared to watch them closely.

Mrs. Campbell: What about the qualifica-

tions in these areas? What about the qualifications of staff dealing with children?

Mr. J. K. Macdonald: Administratively, we provide the same interpretation to the qualifications of staff in the private operations no matter what the size that we do to all nursery programmes, and when we find that the staff complement does not fit the requirements for one reason or another, we advise the nursery accordingly and require that they have the appropriate qualifications for their staff.

Mrs. Campbell: And you have found this to be the case, I take it, in some areas?

Mr. J. K. Macdonald: Yes, we have had to require them to upgrade some staffing.

Mrs. Campbell: Thank you. What about the matter of this funding? Is it a fact that moneys were lost to us because they were unspent to the tune of \$2,292,706?

Hon. Mr. Brunelle: No, the day care expansion programme, the 110 day care centres, were built at a total cost of something between \$14 and \$15 million.

Mr. Martel: Last year's money.

Hon. Mr. Brunelle: This is phased over a two or maybe a three-year period because most of them—hopefully the great majority—will be completed in this fiscal year of 1975-1976. Some may carry over into the next fiscal year.

Mrs. Campbell: I am sorry; I didn't follow that. Are you saying the \$14.8 million was expended or will be expended over a period of three years?

Hon. Mr. Brunelle: The estimated cost of the 110, I have exact figures here, is \$14,933,911. On page 56, under our capital expenditures, you'll see—sorry, not page 56.

Mr. Martel: How much is new money?

Hon. Mr. Brunelle: The new money? For this year?

Mr. Martell: The new money for 1975?

Mrs. Campbell: Depends what they had, in a roundabout way.

Mr. Martel: How much is new money for 1975-1976? That's what we are interested in knowing.

Hon. Mr. Brunelle: About \$1 million.

Mr. Martel: Yes, for nothing, really?

Mrs. Campbell: About \$1 million?

Hon. Mr. Brunelle: About \$1 million.

Mr. Martel: There has been an election promise somewhere along the line.

Mrs. Campbell: Page 55, 56—I am sorry.

Mr. Martel: You'll announce that during the campaign, an additional \$10 million.

Hon. Mr. Brunelle: I said page 56, Mr. Chairman, I should have said page 46.

Mrs. Campbell: Page 46, that's right.

Hon. Mr. Brunelle: Page 46 gives the capital grant for the daycare facilities.

Mrs. Campbell: What did happen? You mean to say that because that was to be a three-year programme or a two-year programme that money is ongoing? Or did we lose some of that money because it was unspent last year and therefore what we are doing now is a pretty drastic curtailment?

Hon. Mr. Brunelle: When we announced the programme—I say “we”—when Mrs. Birch announced the programme in June she announced a \$15 million programme.

Mrs. Campbell: That's right.

Hon. Mr. Brunelle: That is the amount I indicated a few minutes ago for the 110 day-care centres.

Mr. Martel: It takes 15 years to spend it.

Mrs. Campbell: But it doesn't bear out. That money, as I understood it, was to be for 1974-1975 and it wasn't close to being expended in that period. Now you say \$1 million is now available, as new money.

Hon. Mr. Brunelle: New money.

Mrs. Campbell: Okay.

Hon. Mr. Brunelle: The new money for day-care programmes in this fiscal year is about \$1 million. In addition, there could be additional money under the mental retardation programme, I believe.

Mrs. Campbell: That's a separate issue.

Hon. Mr. Brunelle: Yes.

Mr. Martel: An election campaign.

Mrs. Campbell: Please, if I may, because it is a separate vote. I'd like to just understand this great thrust to an expanded service. What was, in fact, expended? What has been expended to date out of the \$14 million?

Hon. Mr. Brunelle: We can give you how this is arrived at, but again the commitment of \$15 million for a daycare expansion programme is being met.

Mrs. Campbell: Mr. Chairman, I really don't want to prolong this, but I don't think I'm getting the answers. When it was announced, and I regret I don't have the announcement here, but the way in which it was announced, I thought it had immediacy attached to it. I thought it meant now. I didn't realize at the time that it was brought forward that it could go on for a period of years.

Hon. Mr. Brunelle: Well, in all fairness Mr. Chairman, I think the hon. member will realize that it does take planning and it does take some time to have these built. The previous one, the one that was commenced in 1971, took about three years; it was only completed last year. Also this one is a larger one; the previous one involved \$10 million, while this is a \$15 million expansion.

Mr. Martel: That's not true. Only \$10 million for capital and \$5 million was for operating costs.

Mrs. Campbell: That's right.

Mr. Martel: The entire amount announced by the hon. Mrs. Birch wasn't for capital.

Hon. Mr. Brunelle: It was a total of \$15 million.

Mr. Martel: It wasn't all for capital.

Hon. Mr. Brunelle: Part of it was for capital and part of it was for operating costs.

Mr. Martel: That's right. So don't say it's bigger.

Mrs. Campbell: I must be awfully dense, but I'm not getting the picture of the funding. You underspent by how much last year? I have been through this deal at Metro and I know how long it takes to get something built; I've had that kind of experience. But I don't understand what our fiscal position is. How much did we spend last year? What happened to what we didn't spend? And how does it relate to the \$1 million you've got in this year's budget?

Hon. Mr. Brunelle: We'll give you a breakdown of capital and operating funds.

Mr. Martel: Just give us the capital.

Mr. J. K. Macdonald: Yes, I would like to speak in broader terms. We actually spent, to the end of the fiscal year, approximately \$2

million; we anticipate that we will spend another \$9 million to \$10 million during this fiscal year; and we will complete the project early in the following fiscal year.

We had the money committed to the extent of \$15 million for capital, which was available to the ministry to spend as rapidly as we could make the commitments and get the centres under way.

At the time we designed the implementation of the project, we laid out some priorities which included providing daycare centres in areas with the greatest need, in areas for certain disadvantaged groups and so on. In creating these priorities we faced the problem that it was those groups that required the greatest degree of assistance to get started. Therefore, we found that it took a great deal more time to encourage municipalities that didn't have day care to pass the appropriate resolutions to get their own planning going and to make the application.

We were giving some preference, as you know, to charitable corporations. We found that it took a great deal more time than we anticipated to get the charitable corporations incorporated and ready to move.

We have now made commitments to the extent of \$14.8 million to the whole variety of groups that applied to the project for funds.

Mrs. Campbell: Then you spent \$2 million to the end of the fiscal period.

Mr. J. K. Macdonald: Cash flow.

Mrs. Campbell: All right. Now, do I take it then that whatever was unexpended is carried over?

Mr. J. K. Macdonald: It's available in this year, yes.

Mrs. Campbell: However, you actually have only \$1 million for new capital?

Mr. J. K. Macdonald: In addition to the moneys to be spent in completing the project, yes.

Mrs. Campbell: Yes, but the \$15 million was something that we approved last year. So what we are approving this year, for this great expansion of the programme, is \$1 million?

Mr. Martel: Right. That's right.

Mr. J. K. Macdonald: Well—

Mrs. Campbell: Well. I want to know!

Mr. R. S. Smith (Nipissing): You can't have it both ways.

Mr. J. G. Anderson (Assistant Deputy Minister, Programme Delivery): Except that the \$15 million that was expended in capital was in excess of what was committed for capital.

Mr. Martel: There wasn't \$15 million expended in capital, Mr. Anderson. I have before me a letter from the minister, which decrees everything he has said to this moment. It is dated March 7, 1975, wherein the minister wrote to me and said that out of the money allocated last year there was only \$8 million for capital. Okay? That's out of the \$15 million. Now let me read it:

The project is anticipated to last one year and we expect that all construction grants will be paid by mid-1975. My press release to which you referred in your letter indicated that as of mid-October, 1974, my ministry had approved in principle approximately \$8 million in daycare grants. Since most of the projects approved will not be completed by the end of the 1974-1975 fiscal year, we will actually be disbursing [and again it contradicts your figures, Mr. Macdonald] approximately \$3.2 million this year. This amount will be made up of approximately \$2.7 million which was approved in the supplementary estimates, and \$500,000 from [the old budget].

Can you imagine it, \$500,000? And this year you've got \$1 million. And in total you've got \$8 million, so maybe you've got in total \$9 million.

That's the letter signed by the hon. Rene Brunelle on March 7, 1975, and addressed to me. So under the \$15 million that was allocated you are saying you only had \$8 million for grants; you only had \$500,000 from last year's budget. That's what is here, Miss Crittenden. I can only read what's in front of me:

This amount will be made up of approximately \$2.7 million which was approved in the supplementary estimates and \$500,000 from within the previously budgeted funds. The balance of the funds for the expansion programme will be paid in 1975.

I only go by what the minister has written me. As we desperately try to ferret out what in the hell is going on, you people deliberately try to confuse the issue. The amount in that is so minuscule as to indicate you don't even have a policy with respect to day care.

Hon. Mr. Brunelle: Mr. Chairman, in all fairness there is no intention to mislead anyone. I think the hon. member will appreciate it. I don't think the figures that you are giving that I quoted are much different than—

Mr. Martel: They are. You said the budget for day care was bigger than when you got the \$10 million. That's why you told Mrs. Campbell all the money wasn't spent. It took time to get it into operation but the money for capital was bigger than the last time when it was \$10 million, all for capital. And here you tell me it's \$8 million for capital.

From the list of press releases that came out of your ministry about day care for the past six months it would have taken computers to keep track of what was going on. I couldn't, from day to day, understand what you were building.

Mrs. Campbell: Neither could I.

Hon. Mr. Brunelle: We committed ourselves to \$15 million and as I indicated this represents 110 centres—

Mr. Martel: No, every time you put up a centre it was a press release.

Hon. Mr. Brunelle: —and each time we committed ourselves and that money is budgeted and those centres are being built.

Mr. Martel: But you've got it down here again as \$11 million for capital again this year. What, in fact, you do have in new capital for this year is \$1 million. The rest of that \$11,022,000 is, in fact, money that you didn't spend last year. So of the money you are asking us to approve, the overwhelming proportion is money approved in last year's estimates, or supplementary estimates. In fact there is virtually no new money for day care.

Hon. Mr. Brunelle: There is \$1 million.

Mr. Martel: There is \$1 million. That ought to be good for an election promise, I tell you now. It ought to be good, in the middle of the election, for Rene Brunelle to do what was done last time right in the middle of the election and say: "We've just got \$10 million or \$15 million for day care." That's why you have so little in there. That's why you're playing around so desperately to manoeuvre the books, because you don't want to show that there is only \$1 million of new money for day care this year because it's no commitment at all for day care.

Hon. Mr. Brunelle: It's on page 46 of the blue book that you have it. We're not concealing anything.

Mr. Martel: What do you mean, it's on page 46?

Hon. Mr. Brunelle: The second item here: \$10,509,700 under Day Nurseries Act. If you

read below under the daycare expansion programme introduced in mid fiscal year 1974-1975, the province will spend \$9,509,700. The remaining funds are for grants under the ongoing programme which comes to an even \$1 million.

Mr. Martel: Tell me, Mr. Minister, does the press have any of this? The only thing they get is maybe a copy of this and as you prod around you start to get the answers. You've deliberately put in "Capital grants for care facilities for children, \$11,022,200." On page S27 of the estimates book. What does that look like? It looks as though the government's committed to the daycare programme, doesn't it? Because it doesn't indicate that most of that was committed last year except for \$1 million. You've got a lousy \$1 million this year for day care.

Mrs. Campbell: And what has happened then to these projects which have been placed in a deficit position? How many are there? How many have been forced to encroach on the new capital for 1975-1976?

There is something I don't understand from the explanation given to me. If you were working in areas which were not quite as sophisticated as, say, Metropolitan Toronto—may I be forgiven my sins for saying that, but I do think that there is a certain sophistication here—wouldn't you expect it would take time to develop this kind of facility? I can remember, not so long ago, the struggles Metro had in trying to provide new facilities here and they had staff and a whole lot of things to help them. But here you say that you didn't anticipate the time it would take to bring along either charitable organizations or some municipalities who didn't have any day care at all.

This is the thing that I find so cruel and mean about this government. I have to tell you this, and I don't like being partisan about programmes. But for goodness' sake, you come out, you make great announcements—and that's all they are, announcements—in housing or anything else—there is no substance to them underneath. It's cruel to raise people's expectations and then flummox them this way.

I am not prepared to say that the minister is deliberately misleading us. I am even prepared to say that perhaps he attributes to us the same kind of inside knowledge about the programme that he has. But my questions I think make it abundantly clear that I haven't been able to make this thing out. It's only since I've been here today that I am getting the picture—\$1 million additional money for day care across this province. What kind of a commitment is that?

Hon. Mr. Brunelle: Mr. Chairman, Mrs. Birch made a commitment of \$15 million and that is being met.

Mr. Martel: That was last year.

Mrs. Campbell: Last year's.

Hon. Mr. Brunelle: Last year, and that is being met. We have \$1 million in our budget for new daycare programmes.

Mr. Martel: How many new placements does that make?

Hon. Mr. Brunelle: Our total budget for this ministry is about \$850 million, and day care is important. But what about services to the elderly, what about services to the handicapped, what about social assistance? These all have to be kept in mind. There is a limit to the amount of money that one can expect.

Mrs. Campbell: Mr. Chairman, I recognize that. I have had occasion to know something about budgetting on a fairly large scale, both at the city and Metro. But I would like to point out to you that you are talking on one hand about incentive programmes, so you put a little bit into that pot for incentive programmes. The biggest incentive that you can have to assist children not to continue in the welfare cycle is a programme of decent day care. I have seen the effects in Toronto; I know it.

With this kind of a commitment, this is why we are having this meeting tomorrow on prevention because we really aren't committed to that aspect of welfare. I recognize the fact that you have many demands upon you. But my view is that if you're only thinking in terms of dollars—and that seems to be where we always end up in this ministry—if you have decent care for children you may well not be spending the same maintenance dollars in the future. It's because your programmes have failed over the long years that you often get a backlash from people. They feel they're being rather heavily taxed for something that isn't working. It is almost impossible that it should work, the way you hedge it about with limitations.

I know you don't have a bottomless pit. I personally would rather spend the money to give these children a start, an opportunity to build their horizons; to let them start on as close to an even keel as children who have all the advantages. When it comes to mental ability, these children are just as bright and just as capable as others. But they start off with bad nutrition, behind the eight-ball, often

with nothing in their homes to give them incentives.

You talk about universal education, but some kids don't have a book in their home. They're not going to have the same outlook or the same ambitions or the same aspirations if they don't have this. I can't understand how you could bring this kind of budget forward, couched in the terms in which you've couched it, unless you did want to mislead us, or, alternatively, you expected us to understand the inside workings the same way you do, not being privy to the discussions or anything else within your ministry. I just don't understand it.

Hon. Mr. Brunelle: In the subsidies, Mr. Chairman, there is close to \$19 million in the operating grants.

Mr. E. P. Morningstar (Welland): Nineteen million dollars.

Mrs. Campbell: I saw that. All right, the question has been asked by my friend from Sudbury East: What does that mean in terms of service to children and what does your capital funding mean in new services to children in this province? How many are we going to serve, and over what period of time, by this kind of funding?

Mr. Martel: Especially when it can show up three or four times in the same amount.

Mrs. Campbell: We may have \$15 million next year too—

Mr. Martel: The same amount showing up over and over again.

Mrs. Campbell: —with no increases.

Hon. Mr. Brunelle: As the hon. member knows, Mr. Chairman, we do try and encourage the utilization of existing premises.

Mrs. Campbell: Why?

Hon. Mr. Brunelle: Because often there are some very good buildings that are not being utilized. Hopefully, with this \$1 million, we'll say, for the existing buildings, vacant classrooms, church basements and so forth, there could be quite a number of daycare centres added.

Mrs. Campbell: Have you looked at the costs to Metro of utilizing the basements of churches? Mr. Anderson could tell you. You end up with a facility that isn't as good, in many cases, and you spend an exorbitant amount of money. What did Metro spend on those two churches when it all was there?

Mr. Anderson: I think, Mr. Chairman, one of the questions raised here is the balance between all daycare and half daycare programmes. In one situation, the renovation of existing buildings, church and parish halls, is quite a satisfactory solution. In the type of thing you're speaking about, Mrs. Campbell, we are trying to renovate very old buildings because they are in the worst parts of the city and at the same time renovate them for the total purpose of 10½ to 11 hours care per day, where it included bathing facilities and cooking facilities for the total needs of the children, it was very expensive. But since this programme of capital and renovations covers a range of care, including the care of handicapped children and the half-day programmes for enrichment, not all of those things have to be built into every daycare centre. As the minister has said, the money then could go further.

As to what would be accomplished by the programme, the indication is that the money already committed will provide about 3,600 spaces of new care. And the additional \$1 million would presumably provide for another 400 not scheduled at this time. So it would be an increase of 4,000 places during the period that's under discussion.

Mrs. Campbell: Could I know what Metropolitan Toronto is estimated to need by itself?

Mr. Anderson: It all depends on what kind of care you're referring to it needing. Metropolitan Toronto concentrates, as you know, on all-day care for the fully employed single parent. So there's a difference in the overall needs of the community and of the municipality itself. But I think that for 1975-1976 the planning of the municipality is adequately underwritten by the programme that exists at this time. Those things on the projection board for Metropolitan Toronto, and for the bulk of the municipalities we've been dealing with, are dealt with here.

Some of the other questions have to do with the availability of resources; it's not just a matter of building the buildings, but a matter of training the kind of personnel that you were talking about, and those people coming on-stream at appropriate times in the development of these daycare centres. The 3,600 new places, and possibly another 400 uncommitted at this time, involves 120 new childcare workers to be made available to the field during the same period of time.

Mrs. Campbell: You have 4,000 that you can anticipate. How many of those are in the metropolitan area?

Mr. Anderson: I don't think we've checked out that municipality as such; we have a figure for municipalities generally. There are approximately 550 places for Metropolitan Toronto for full day care.

Mrs. Campbell: And how many of the other urban centres? Because we've been discussing in the explanation the unsophisticated municipalities that have never had day care. How many are there for those municipalities who have had day care for some period of time?

Mr. Anderson: We don't have figures by individual municipalities, we have figures by area of the province. In northwestern Ontario, 430 new places, which roughly equates with what is being developed for Toronto itself; northeastern Ontario, which is smaller, 340; western Ontario, 1,650; eastern Ontario, 650. So there is a substantial development outside of the metropolitan area, which is what you're discussing.

Mrs. Campbell: Mr. Chairman, I'd like to have it broken down a little more than that in view of the explanation given for the slowness in getting on with the programme. If you give an explanation that one of the reasons for the slowness is the fact that you're dealing with charities and with municipalities who haven't had experience in the field—if I can paraphrase what was said; I think that's fair—then I think we're entitled to know to what extent you've been dealing with those people, as opposed to those in areas where they have some experience in the field. And when you say western Ontario, what are we talking about? Are we talking urban, rural or what?

Hon. Mr. Brunelle: Mr. Chairman, we'd be pleased to provide the locations. When it was announced it was mentioned that it would be province-wide, trying to cover the entire province using the criteria—

Mrs. Campbell: You certainly did.

Hon. Mr. Brunelle: —of assisting low-wage earners, the parents of handicapped children, and the native people.

Mrs. Campbell: And we all applauded it.

Hon. Mr. Brunelle: That's right. And I think that those guidelines were followed as well as we possibly could in consultation with the local groups, and with our own staff who met with the various organizations.

Mrs. Campbell: Mr. Chairman, I don't want to be misunderstood on this particular point. I was not saying that I thought the money should

be spent on Metropolitan Toronto. I agree with your desire to see it spent across the province. I was responding to an explanation given in trying to ascertain how many areas which previously hadn't had day care were going to be involved. And I am rather amazed that that is not available to us.

Mr. Anderson: Mr. Chairman, we could read out the categories of people, organizations and districts. It's an extensive list, but it can be read out. Or it can be tabled for you. Whichever you prefer.

Mrs. Campbell: I would be happy to its being tabled if you have it available now, subject to what anyone else on the committee wants, or if you want it in the records.

Mr. Anderson: It's broken down into three categories, basically the municipalities, native peoples, and handicapped. So there are three categories for each of the five regions that are involved, and each one of them involves different names of organizations and places.

Mrs. Campbell: I think that the daycare programme and the protestation of commitment to it leaves a great deal to be desired. People have been led to believe that there would be much more available than in fact, is available. And not knowing the needs across the province, but knowing them in this area, people build on these things. They really do. They try to plan something around this kind of thing, and when it has no substance to speak of, as related to the needs—I am certainly not going to say \$15 million or \$18 million isn't a healthy sum. But it isn't healthy in relation to the needs and the expectations. This has gone on with this government in education, in health, in almost every field where we led people to believe certain things, then there was not much follow-through.

In this vote—and then I'll finish—there is the question of the provincial share of the cost of construction or acquisition of buildings to provide residences for problem children. That's the one; I am not speaking of the young adults or the adults group. I'd like to know what criteria we have for these residences. I'd like to know if you have come up with a policy as to the size that you think is the ultimate for this kind of residence for troubled children.

Mr. J. K. Macdonald: Mr. Chairman, there were a number of questions asked. We are now tending to deal with relatively small-sized settings of six to eight and sometimes 10 to 16 beds per unit, as the optimum size of operating a residential programme for troubled children.

Could I ask Mrs. Campbell to repeat the question on the growth rate?

Mrs. Campbell: I didn't write them down. First, what are the criteria for the kind of care you expect for these children? What is the relationship—and I didn't ask this question—between the male and the female population in the provision of this service?

Mr. J. K. Macdonald: You are talking now specifically of the Children's Institutions Act?

Mrs. Campbell: Yes, I am talking about the care for troubled and problem children.

Mr. J. K. Macdonald: The rate of expansion of that programme is now somewhat stable. The criteria used in the Act are related primarily to physical structural configuration and to staffing and staff requirements. There are no criteria in the Act related to balancing male or female population, or determining the specific nature of the problems of children to be served in the legislation itself. We tend to respond to the needs as indicated by a group wishing to sponsor an institution under the Children's Institution's Act, and attempt to determine on an individual basis, given the plan they present to us, the validity of that plan.

Mrs. Campbell: This is what concerns me in the programmes for children. So often we are worried about physical plant far more than we are about the care and needs of these children. Of course we have to have some basic requirements for physical plant, but that always seems to be the major thrust, and not nearly enough a thrust concerned with the needs of these children.

Mr. J. K. Macdonald: That is the kind of thing dealt with in our discussions on the individual application and ongoing supervision of the programme. The field supervisors have a great deal of contact at the time that the residential programme is being built or expanded. They have regular and frequent contact on an ongoing basis. They attempt to assist the operators of private, charitable corporations to revise their programme to meet continuing needs and, as the needs of children change, to meet new and developing needs. There is an additional component of supervision in many of the placements in the children's institutions in that the children are sponsored by the Children's Aid Societies, which provide supervision for those of their children who are placed there, and which have some access and control over the quality of the programming.

Mrs. Campbell: How many of these residences do you have in this province for girls and how many for boys?

Mr. J. K. Macdonald: I don't have that immediately available but I can get it for you very quickly.

Mrs. Campbell: Mr. Chairman, this is the kind of thing that disturbs me greatly. Why wouldn't it be available? Why wouldn't you realize this is the kind of concern which we in the opposition have continuously expressed?

I don't know how widespread it is across the province but certainly the experience in the care of girls who are troubled has been a very sad one. The institutions seem to close more than they open, in my experience. I don't know whether that is ongoing but it all comes back to the fact that you really don't care in depth about what you are doing for these children.

You have this fascination with the physical plant and apparently once you get children into these residences, you have the attitude, "Now we have looked after those and we will get on with something else." These children can be very badly damaged unless they have adequate indepth concern expressed about them.

In this case, it is not a matter that, being International Women's Year, I am concerned about girls. I am concerned about them on the basis that they really have very deep needs. They are often very self-destructive and in my experience more largely self-destructive than boys are in the same age group, for example. Yet we seem not to provide the facilities which, in my opinion with respect, we should be providing for them.

Again, I can't discuss it very well when you don't have available the information we are seeking. I wonder if we could get to cases on which we are not continuously having to have information given to us at a later date, and if we could come here prepared to discuss the very real concerns we feel in these areas.

I have one question unanswered which was left over from the last time we met; I am going to have to go back to Hansard and reread all the questions I have to which I haven't had answers. It would be so much simpler for us—and I should think for you—if you had the information available as we find our weary way through these—I guess I can say it—incomparable estimates. I don't know what you could compare them to but I won't say more on this subject at the moment.

Mr. J. K. Macdonald: Mrs. Campbell, we have gone through the list and many of the

residences are mixed. The population varies, according to girls and boys, depending on the needs of the admission criteria at any particular time. The number of beds under the Children's Institutions Act is about 1,150 and they are about equally distributed, boys and girls, with some variances at any time because of intake policy.

Mrs. Campbell: Mr. Chairman, I would like to have the specifics of this because from my experience I can't credit that there has been this much of an improvement in the situation in two years' time.

Again, I have to point out that we apparently refer to the needs of these children as the number of beds. I would like to see it with some kind of human thrust as to the needs of the children and not the number of beds. I haven't anything further on this, Mr. Chairman.

Mr. Anderson: Mr. Chairman, through you, as regards this division, as long as a place lists itself as 25 beds, boys and girls, 14 to 16, unless you do a count on a specific day, it will not likely be that much more specific. At least half of the institutions of this type simply say boys and girls within an age group; depending on the allocations, different distributions occur from month to month. Except for being precise on a given day by surveying the places it would not be that much more precise than it is now.

Mrs. Campbell: Could I know then, briefly, how many aren't co-educational or whatever it is, and what that relationship is between the ones which are exclusively for boys and those exclusively for girls?

Mr. Anderson: I think it's on those yellow pages just under your hand, Mrs. Campbell.

Mr. Morningstar: I can't hear, Mr. Chairman.

Mr. Anderson: I was just pointing out the section in the book to Mrs. Campbell, Mr. Chairman.

Mrs. Campbell: Thank you, I will read this with interest, Mr. Chairman.

Mr. Chairman: You are familiar with some of those, I presume.

Mrs. Campbell: Yes, I imagine as I go through I will be, but certainly I know that some of them closed. The girls' closed down, but the boys' didn't seem to ever close and I can understand that.

Mr. Chairman: Maybe the girls got better.

Mrs. Campbell: I can understand the problem, but you had to face it. That's all.

Mr. Chairman: Are there any further questions, Mr. Martel?

Mr. Martel: I was just about to begin, Mr. Chairman.

Mr. Minister, to build new facilities in day nurseries for a child is about \$4,300, is that not right? Is that the capital cost?

Hon. Mr. Brunelle: Mr. Mike Basich is the director of our capital services branch. Is that about right, Mike?

Mr. M. W. Basich (Director, Capital Services): The costs now, Mr. Chairman, are about \$5,000 per child.

Mr. Martel: About \$5,000. That changes my calculations some.

Hon. Mr. Brunelle: And it is about double, or not quite, for handicapped children.

Mr. Martel: The more you add to it though, Mr. Minister, the more your programme is going to look sick. If you've got \$1 million more this year for the programme, you've got less than 200 new placements in Ontario this year.

Mr. Anderson: On a subsidized basis of 50 per cent it is double that.

Hon. Mr. Brunelle: As the hon. member knows—

Mr. Martel: On the capital.

Hon. Mr. Brunelle: —on the capital it's 50 per cent municipal and 50 per cent provincial. As we said earlier, we try to encourage as much as possible the use of existing premises where the grants are 80 per cent.

Mr. Martel: No, but I'm saying it's going to cost you roughly, as your assistant said, \$5,000 per placement. You just disagreed.

Mr. Anderson: It is just on the term "it is going to cost us", Mr. Martel.

Mr. Martel: Oh, it's just on the term "it's going to cost you"?

Mr. Anderson: Yes. It's not going to cost us.

It costs \$5,000 per placement, but with our \$2,500 subsidy the placement is created at half the cost.

Mr. Martel: So you're going to double it. In Ontario you're going to get 400 new placements with the new capital in the budget this year. We're really going someplace.

What's the need? The guesstimate is about 300,000 places needed in Ontario; there are 46,000 available. If we're lucky we might get to 50,000.

And out of that, 15,000 of them are subsidized. Are we ever getting to the group who most desperately needs it as well? Fifteen thousand subsidized kids in daycare service of one form or the other, which is less than one-third. Which means the kids who need the day care most aren't getting it. That's a fair observation to make, isn't it, Mr. Anderson?

Hon. Mr. Brunelle: Not necessarily.

Mr. Martel: No?

Hon. Mr. Brunelle: Those mothers on family benefits—

Mr. Martel: They are not allowed in.

Hon. Mr. Brunelle: —do not pay.

Mr. Martel: How many are allowed in? How many on family benefits are allowed in day care, particularly on GWA? How many children with mothers on GWA are on day care? Maybe they will be for two weeks at a time providing the mother has a doctor's certificate saying she needs it. Or if she's looking for a job she might obtain the subsidy necessary to place the child in day care. How many of 15,000 children in the day care subsidized are either on GWA or FBA?

Mr. Anderson: Mr. Chairman, as far as the full day care goes, I would presume a very small number would be removed when the mother is being subsidized for the purpose of remaining home to look after her children. There would be very few people for whom it would be considered worthwhile to remove the child for eight to 10 hours a day.

Mr. Martel: Would you agree it's the children in that type of home who probably need it more than anyone? It's that particular mother who is looking after the children day in and day out, 24 hours a day, who, in fact, is most desperately in need of some relief. Would you agree with that?

Mr. Anderson: No, sir. I would agree with you if you were to say that type of child needed a half-day programme more than any other. I wouldn't agree that child should be removed from the home from 7 in the morning till 6 at night.

Mr. Martel: I didn't say that. I am saying, will you agree that mother needs help, and that family needs help, and yet that's the one that shows up the least?

Mr. Anderson: For a form of day care, yes.

Mr. Martel: Right. We spend all kinds of money for day care, yet out of the total package—and you know, when you try to sell the idea of day care everyone thinks it's poor kids who are in day care, yet of the 45,000 cases of children in day care, only 15,000 are being subsidized. I listen to the minister frequently as he tells about the Indian kids who need it, and the mentally retarded who need it, and the working poor, etc. You've got 515 in Indian nurseries and you've got 1,500 physically handicapped, you've got 6,900 in just the groups the minister talks about and has such great sympathy for. Those are the ones who are subsidized.

The problem is, that what came out of the New York studies and other studies is coming out here. Those who most desperately need day care, in fact, are the ones who don't get it. Those who can afford it, the two-thirds who could afford to pay for it, have the benefits of the day nurseries that are in operation.

Mr. Minister, it seems to me there is a tremendous imbalance. The ones we have to reach the most are the ones getting the least assistance, including the mothers on FBA or GWA. I know full well most of them don't get in, yet they are the ones who need help. That type of mother needs relief from the children. That's probably the home where there isn't a book, a magazine, or any educational aids to create an interest for children.

I have always believed, as a teacher, that the secret for any child going to school is an early introduction to books and things like that. When you have that early introduction the child can do well, even though he is not an Einstein. He doesn't have to be. These are the children who most desperately need it, and, in fact, aren't getting the benefits of your programme. What's even worse is, this year we have 400 placements. Now, as I say, it ought to be good for an announcement in the middle of the election, **Mr. Minister,** of another \$10 million, at least. It depends on how the polls are going, I would suspect. If they are going bad—

Hon. Mr. Brunelle: They are going good.

Mr. Martel: —we'll jack it up. We'll make it \$20 million, if need be. Yes, I understand they are not going badly. There are seven points between you and the Liberals now. If you keep the Premier (Mr. Davis) out long enough, spend enough money, and put us another \$2 billion or \$3 billion in the hole, as you've done in this one budget, then you might make it. As the member for Kitchener (Mr. Breithaupt)

said the other day, "Bill Davis was going to be the most expensive Tory ever sold."

Mrs. Campbell: The greatest Tory ever sold.

Mr. Martel: Yes. He'd have to be sold.

Your programme is a shambles. You know it, and I know it. It doesn't meet the needs of those who need it. It doesn't even indicate a willingness to get serious about the programme when you tell me that you have all of \$1 million in new capital.

Just look at some of the press releases. They've been coming out of your eyeballs over the last six months. Every time you opened a day nursery, there was another press release. It was crazy. It was sick. It cost you more money in advertising than it did in nurseries.

If the Tories were serious about the programme they would cut back the advertising which is going on every 15 minutes on radio today—"How to get a job; beep beep; method No. 7"; "Don't, don't buy that; beep beep; you get nothing free"; "If you want a house, there is no other place; we in Ontario want you to be good in your own home. The cupboards are right; just great." Why don't you take some of that money—

Interjection by an hon. member.

Mr. Martel: —about \$400,000 for the housing one alone—if you were serious about day care, you would get some of that money. Instead of trying to buy your way back to power, you would do it with positive programmes, such as day care. You have no interest in it.

Mr. F. Laughren (Nickel Belt): Well said.

Mr. Martel: Tell me what you are doing there, Mr. Minister, nothing. I want to talk about a couple of other subjects. There's no sense talking about this one; you are not serious.

Mr. Chairman: Maybe your colleague wishes to talk on this?

Mr. Martel: Would you like to say a word about day care?

Mr. Laughren: No, only if my colleague has finished.

Hon. Mr. Brunelle: Mr. Chairman, with reference to the member for Sudbury East, our needs testing is quite generous. You mentioned—I don't know how you would do it or what your suggestion would be to improve it—I think we are all in agreement that it should be made available as much as possible to low wage

earners. What would you do, make the needs test more generous?

Mr. Martel: I am saying there are all kinds of people who meet it, who are poor but who don't even have day care available to them. I am saying you've got 46,000 placements and there are only 15,000 which are subsidized to any degree. I read the report called "Poor Kids" the other day which my friend from wherever it is—

Mr. Chairman: Mr. Martel, I think you've made this point.

Mr. Martel: No.

Mr. Chairman: Your colleague wishes to speak on this subject.

Mr. Martel: He is not anxious. You are the one who is trying to agitate him.

Mr. Chairman: There are other members who wish to speak.

Mr. Martel: He can do that himself; he doesn't need any help at all. There are 450,000 poor kids, I believe in Ontario according to the book called "Poor Kids." Maybe it is a little more; I've left my book upstairs. We see 15,000 kids subsidized and you are telling me about getting more generous with your subsidy. I am saying get more generous with your daycare centres and build some.

Mr. Chairman: You are being very repetitious now, Mr. Martel, and other members want to speak on day care, to this point.

Mr. Martel: Mr. Chairman, it was the minister who asked what would I do. He asked me what I would do.

Mr. Chairman: That was a mistake.

Mr. Martel: I'm trying to tell you, he asked me what do you do with respect to—

Mrs. Campbell: You didn't rule him out of order.

Mr. Martel: —the subsidy for kids. There's got to be something wrong, surely, when there are only 15,000 kids out of what is estimated to be at least 450,000 poor kids in this province. There has to be something wrong with our daycare programme when we don't have more than 15,000 kids subsidized. Is it because there are insufficient places? Yet there are another 30,000 places over and above those which are subsidized; 31,000 which are not subsidized; 31,068.

You tell me you are building them for poor kids. How is it that you've got placement for

those who have the cash—the 31,000 placements—and for those which are subsidized you only have 15,000 placements? It doesn't make sense. Using the principle you espouse—I didn't say it was my principle that you build them for the poor; you are the one who said that. I am saying that even what you are saying on one side of your mouth doesn't hold water—

Mr. Laughren: I think that is a mixed metaphor.

Mr. Martel: Right.

Mr. R. S. Smith: Which side holds water?

Mr. Martel: There are only 31,000 out of the 45,000 which are not subsidized. How do you account for that?

Hon. Mr. Brunelle: Aside from a couple of comments—

Mr. Martel: I was going to say he speaks with forked tongue but I didn't want to insult the natives, the first citizens of Canada.

Hon. Mr. Brunelle: Also, as the member knows, we also use the private home care.

Mr. Martel: No.

Hon. Mr. Brunelle: This is an area which many feel should be explored further.

Mr. Martel: I want to talk about that in a few minutes, too, but I want to talk about this one now. Let's not digress. If there are 31,068 placements of kids who aren't subsidized, there are 15,311 subsidized kids. You always tell us that your programmes are for the native children—

Hon. Mr. Brunelle: Handicapped.

Mr. Martel: —the handicapped and the poor —and the working poor. Yet you only subsidize 15,000 kids.

Hon. Mr. Brunelle: No.

Mr. Martel: Is there something wrong with your programme?

Hon. Mr. Brunelle: No.

Mr. Martel: You've got twice that many who are in placements that should go under your programme, the way you are talking. Those are the kids who should be in this. The poor who'd be subsidized should be filling up those 46,000, if I went by what you tried to tell me—which is that it is for the poor and so on.

Hon. Mr. Brunelle: Last year, if I recall, we used an example that a man could be earning

to \$12,000—and if he had four children he would be fully subsidized.

Mr. Martel: Yes, I understand.

Mrs. Campbell: Yet you have unemployment insurance, and while trying to get a job they are not subsidized.

Mr. Martel: Yet at the same time Mr. Minister, as I said, people think it's the poor kids who are in day care. It is not the poor kids who derive the benefits of day care in this province. It is people who can afford to pay for it—they outnumber the others two to one. God, you must understand that—the figures are in front of us. You tell me how you are going to rectify that.

Hon. Mr. Brunelle: As the hon. member knows, it is on a needs test and the income of the family is taken into consideration.

Mr. Martel: I understand all that.

Hon. Mr. Brunelle: So when you speak about real poor people, when the total income is taken there are very few people in this province who live on the minimum income of \$240.

Mr. Laughren: Oh, is that right?

Mr. R. Haggerty (Welland South): Twenty per cent.

Mr. Martel: Could I borrow that book for a minute? The book called "Poor Kids."

Hon. Mr. Brunelle: The average income in this province is somewhere around \$10,000.

Mr. Haggerty: There are 400,000 in the Province of Ontario.

Mr. Martel: There are 400,000 in the Province of Ontario. If I recall the definition for poverty there—

Mr. Haggerty: That's children.

Mr. Martel: If I recall the definition, it is those who spend more than 62 per cent of their income on shelter, food, and clothing. We are talking about 400,000 in the Province of Ontario alone. Don't tell me that you haven't got enough poor kids to fill up all the placements.

Hon. Mr. Brunelle: Mr. Chairman, when you mention 400,000 children, you are referring to the children throughout the whole province.

Mr. Martel: Right.

Hon. Mr. Brunelle: There are many areas where day care is not required.

Mr. Martel: Oh? Tell me one.

Hon. Mr. Brunelle: There are many such parts in this province.

Mrs. Campbell: They don't want it?

Hon. Mr. Brunelle: In my own riding, for instance, I can bring you to many places where day care is not a necessity.

Mr. Martel: Why?

Mr. R. S. Smith: There are no jobs for them to go to, that's why.

Hon. Mr. Brunelle: No, it's a rural area. Day care is mainly in cities—in industrial areas.

Mr. Martel: Surely that goes against everything you've said. You give yourself away. What you are saying is that day care is just for babysitting if the parents are working.

Hon. Mr. Brunelle: It isn't what I'm saying.

Mr. Martel: Oh yes, you are. If you need day care anywhere it would be in a rural community where the kids don't have equal educational opportunities to start much younger. I see you curling up your brow, Mr. Anderson—the opportunities aren't as great, the facilities aren't as great and so on for the kids in those communities. Therefore you need it even more in rural areas if you are going to provide what you Tories like to call equal educational opportunities for everyone in the province. It's in those communities you are talking about where there aren't any outlets, such as Moonbeam.

The whole programme is bogus, you aren't even committed to it. I don't even know why I waste my time talking about it. You are not committed to the programme with your additional 400 places.

Maybe the saving grace will be an election promise. That I anticipate. The press is here and I hope they print it, because we are forecasting that you will make an announcement during the election. What's \$1.6 billion? Let's make it \$2 billion.

Mr. Chairman: Mr. Laughren, do you wish to speak to this point? Or is it on another matter?

Mr. Martel: On day care?

Mr. Laughren: Yes.

Mr. Martel: All right. I yield.

Mr. Laughren: I thought Mr. Smith was next, but I don't mind. I haven't sat in on all the debates concerning the day nurseries branch previously, and I really wonder, in a

somewhat philosophical way, how the ministry regard day care, what is their position on the whole concept of a network, a universally accessible network of day care across the province, and just why they have a means test for daycare subsidy?

Hon. Mr. Brunelle: Day care is certainly a programme most worthwhile for the children and often for the mothers. I think we're in agreement as to the social, educational and cultural values of day care for the children.

Mr. Laughren: You do agree, if I may debate with you somewhat here as we go, that there are advantages to day care that are not related to the income of the family?

Hon. Mr. Brunelle: Yes, yes. As for universal day care, I think the cost of universal day care would be very, very high. And I do believe that universal day care, in view of the tremendous costs involved, should be a policy.

Mr. Laughren: If you could remove the cost barrier by waving your wand, would you regard universally accessible day care as being something worthwhile?

Hon. Mr. Brunelle: Mr. Chairman, there's no doubt about the value of day care. I think we're all in agreement. But let's be realistic, it does have a cost and a substantial cost. Aside from the average cost of construction of about \$5,000 per place, I believe the cost of operation per year is somewhere in the \$1,500 to \$2,000 area, if not more.

Mr. Laughren: I've heard you quote these figures before, and I did some checking with the cost of day care elsewhere. Your figures seem to be pretty high. The centres that they have in Alberta, for example, at Edmonton, in a report that was done on day care for the Canada Social Development Council, the figures they used there weren't nearly as high as the figures that you're using on the cost of day care.

Miss Crittenden: Mr. Chairman, things are getting out of date these days. You have one set of figures in March and they're out of date by April. When those figures were compiled they might have been valid, but I would say that today our costs are comparable.

Mr. Laughren: I'm not very impressed by the argument of the minister about it being so expensive. When we approached the government about a universal dental programme for children we were given the same argument. Then when our research people dug into the whole cost of a dental programme we found

out that we could provide dental care for every child between the age of three and 10 in the Province of Ontario over a four-year period for a total, over that four years, of about \$103 million. Yet we'd been told time and time again that you cannot provide a dental programme for children because of the costs. Then you say, well, okay, \$103 million is a lot of money.

I don't want to bring the whole budget into the debate, but we know too that the tax concessions that you allowed on the sales tax exemption for production machinery will cost us \$108 million this year alone in lost tax revenue. So you can't say in one breath that it's too expensive, and in the next breath grant tax exemptions for the same amount of money. Over the four-year period we grant exemptions of over \$400 million on that sales tax exemption, and that's a lot of money. If I'd said to you you could set up your daycare system across the province for \$450 million, you would have said it was out of question, it's beyond the means of the Ontario budget. Yet, in the next breath, exemptions are granted which decrease the tax revenue in the province by an equal amount.

I don't know where you draw the line. It's very popular for you to appear as being the fiscally-responsible government, that you won't spend that kind of money, and in the end you are really protecting the Ontario taxpayers. But you're trying to have it both ways.

I think that a universal day care network would be an investment over the long haul because any of the studies I've read on day care are all positive. It has nothing to do with taking responsibilities away from the family or replacing the family with state control and babysitting. It's a supplement to family care; it's not a substitute. Certainly you must be aware of that.

I'm wondering why you don't at least set yourself a programme whereby every year, you substantially increase your commitment to day care so that it isn't all made in one year. If you did that over a period of four, five or 10 years, you could have across the province a good system of day care which could be a model for the country, if not North America.

There are different variations you can use. You can use the industrial setting, although I'm really worried about that because of the dependency on the employer it makes for working people then. You can have co-operative day care. You have the school system that you can use. You can have your own ministry. You've got all the preventive programmes that can be built into it, including dental care, counselling to the family and to the children and

an improved social environment for the children.

I think the Ontario government has made a decision that it is not going to make a commitment to day care. I would like you to show me some reports that indicate that day care is not a worthwhile investment. I've done a fair amount of reasearch into the whole question of day care. It just seems to me that governments should be moving into the provision of day care, that you can no longer ignore it. As my colleague from Sudbury East says, get away from the idea that it's strictly for low income people. That's just another stigma that you're willing to attach to people who have low incomes.

Mr. Martel: They have the stigma without the benefits.

Mr. Laughren: Without the benefits, because you don't have the places. That figure of 400,000 was available in Ontario about three years ago as that was the need. Indeed you could include families that would use day care on an intermittent basis, which I think would be really therapeutic for a lot of families. I don't like to use personal examples but I think of my own case where I have three small children. There are all sorts of times when my wife would be therapeutically aided if there was day care available in Sudbury on this kind of basis. I'm sure you would agree that you would want me to have a happy home environment so that I can perform my job better down here, Mr. Minister.

Mrs. Campbell: I draw the line on getting into that kind of welfare.

Hon. Mr. Brunelle: With reference to the hon. member's suggestion, Mr. Chairman, that we should do away with the needs test. If we were to do so, then there would be no cost-sharing under the Canada Assistance Plan, which would mean 100 per cent funding by the province. I think this is something that we must keep in mind.

Mr. Laughren: Yes, I agree that there have to be changes in legislation at the federal level to support it. But if you wanted to provide an automatic day care to the people who are receiving some kind of provincial assistance, you would automatically have that provision with the federal government, wouldn't you? It's automatic that all the children who are receiving assistance would be eligible because there's automatically a means test before you provide that assistance to them. Is that right? You don't provide provincial assistance to people without

a means test, so they would automatically get it from CAP. It's the other part that you would provide just as a social obligation of your government.

I'm not suggesting that you pull the rug on the children who are getting it now, the small number who are getting subsidized day care. I'm saying that those people automatically are eligible for it because they are receiving assistance from you. I don't think the federal government is going to haunt you if you suddenly provide subsidized day care for everybody in the province. I know that in terms of absolute dollars it's expensive, but most investments are. Do you deny that day care is an investment if it's done properly with properly trained people.

Hon. Mr. Brunelle: No, I don't. I think we are in agreement about the value of day care. The hon. member referred to a dental programme for children on a priority basis, keeping in mind that there is so much money available. I would give dental services to children a higher priority than universal day care.

Mr. Laughren: That's very interesting, but I don't understand why you would—

Mr. Chairman: It is very interesting, but I think it is really not the estimates of the ministry. I think you are talking about the budget or the Throne Speech, you are not really talking about the estimates. You are talking about the philosophies of programmes.

Mr. Laughren: The philosophy of day care doesn't belong in this vote?

Mr. Chairman: I don't really think so. I think you should be examining the estimate of the expenditures.

Mr. Laughren: Well, that's an incredible ruling, Mr. Chairman.

Mr. Chairman: It's not a ruling. I just thought you were getting slightly off the estimates.

Mr. Martel: Philosophical is the word.

Mr. Chairman: Yes.

Mr. Martel: Might do something for the minister.

Mrs. Campbell: I think it is irrelevant in this ministry.

Mr. Chairman: I am just saying there has been a lot of latitude, Mr. Laughren.

Mr. Laughren: I see. Well, I knew you wouldn't get heavy-handed with me, Mr. Chairman.

Mr. Chairman: No, I don't intend to.

Mr. Martel: You are in good humour this week, are you?

Mr. Chairman: No.

Mr. Laughren: I think most of us accept the lack of commitment, going back a year or so to the statement of the Provincial Secretary for Social Development. I had a real sinking feeling in the pit of my stomach the day I saw the provincial secretary stand up and make that announcement. I have never witnessed a statement so offensive as the one the provincial secretary made. One would have thought the provincial secretary would not be a millstone around the neck of women in the Province of Ontario, but that's exactly what the provincial secretary has turned out to be.

I don't know to what extent you can lean on Management Board or Treasury Board or other ministries in your secretariat, but I would think that there are not many areas the Ontario government should be moving into more quickly and more aggressively than day care.

Hon. Mr. Brunelle: Mr. Chairman, with respect to the hon. member's remarks, and previous remarks of other members, this year there have been constraints in capital expenditures, not only in day care, but in homes for the aged and other areas.

Mr. Martel: Except tax concessions for machinery.

Mr. Laughren: And I don't think it's—

Mrs. Campbell: And some little goodies in all sorts of places.

Mr. Martel: You get Joe Fabbro saying he is running for the Tories in Sudbury because of all the goodies is going to come.

Mr. Laughren: To what extent do you think you can sell restraint? I know that the comparison I am going to use in terms of total dollars makes it almost grotesque, but to what extent do you think you can talk about restraint in the government, when you appoint commissions and pay the chairman \$250 a day and so forth? Those are contradictions too, more in appearance than in substance, perhaps, because we know that the total cost of that commission will not compare to the cost of setting up a universal

network of day care across the province. I am not making that kind of comparison.

Mr. Chairman: Those are good points to make on the budget debate, Mr. Laughren.

Mr. Laughren: I am just trying to encourage the minister and give him a little more backbone when it comes to getting money for his ministry, particularly for the day nurseries branch, because I think it is extremely important.

Hon. Mr. Brunelle: Mr. Chairman, we agree with the importance of day care and the need for more day care.

Mr. Martel: Put your money where your mouth is.

Hon. Mr. Brunelle: And I am optimistic. If one takes a quick look at this chart, it shows the increases over the last 15 years. At the present day we have 46,379 places.

Mr. Morningstar: Fantastic.

Mr. Laughren: But you started from nothing.

Hon. Mr. Brunelle: Pardon?

Mr. Laughren: But you were starting from nothing, you had nowhere to go but up.

Hon. Mr. Brunelle: And I believe on a per capita basis, Ontario has the largest number of day care places in Canada.

Mr. Morningstar: Is that right?

Mr. Laughren: Why wouldn't you?

Mrs. Campbell: It has the largest number of municipalities and their concerns.

Mr. Martel: Would you agree that Ontario is the wealthiest province of all?

Hon. Mr. Brunelle: On a per capita basis, I am not sure if we are or not.

Mr. Haggerty: You are second best now, Rene.

Mr. Martel: No, PEI is way ahead of us, you know, and Nova Scotia and New Brunswick. Oh heavens.

Mr. Chairman: Is there another point on this, Mr. Laughren?

Mr. Laughren: No.

Mr. Chairman: Mr. Smith.

Mr. R. S. Smith: I would like to go back to the first point you made because I find it

very difficult to understand the mathematics of the blue book, and the estimates book.

Mr. Martel: It's called gymnastics.

Mr. R. S. Smith: Yes, it's almost gymnastics. On page 38 you have a financial summary of transfer payments and you have \$18,833,800 for the Day Nurseries Act. Now if you turn to page 46—

Hon. Mr. Brunelle: Mr. Chairman, to the hon. member, those are operating subsidies.

Mr. R. S. Smith: Those include operating subsidies; they are total operating subsidies?

Hon. Mr. Brunelle: Yes, they are not capital.

Mr. R. S. Smith: Is that total operating subsidies of \$18,833,000? There's no capital in there at all?

Hon. Mr. Brunelle: No, no capital. The capital is on page 36.

Mr. R. S. Smith: Okay. And that's done on an 80-20 basis with the municipality for day-care facilities?

Hon. Mr. Brunelle: This is done on the basis of the municipalities receiving 80 per cent.

Mr. R. S. Smith: It is 80-20?

Hon. Mr. Brunelle: Yes: Then there is a different formula, as the hon. member knows, for the handicapped, both physically and mentally. There is a different formula for the developmental centres.

Mr. R. S. Smith: Yes, which doesn't really go all the way either. But this one is actually 50-30-20—it's 50 per cent federal, 30 per cent provincial and 20 per cent municipal.

Hon. Mr. Brunelle: That's right.

Mr. R. S. Smith: Just so we will have that straight because it doesn't come through in here.

Mrs. Campbell: Of course not.

Mr. R. S. Smith: So the federal government actually is paying 50 per cent of the operational costs of the daycare centres.

Hon. Mr. Brunelle: That's right.

Mr. R. S. Smith: When it comes to capital expenditures, which are represented on page 46, I understand there isn't a federal participation in this programme.

Hon. Mr. Brunelle: No.

Mr. R. S. Smith: As I understood the remarks that were made earlier, it's on a 50-50 basis with the municipalities. Mr. Anderson said that.

Hon. Mr. Brunelle: No, the daycare programme, with 100 per cent funding—

Mr. R. S. Smith: But he did say that.

Hon. Mr. Brunelle: The daycare expansion programme, as the hon. member knows, involved 100 per cent capital funding, but under the regular programme there is 50 per cent for new day care and 80 per cent for renovations.

Mr. R. S. Smith: Well, what are we on now? Which programme are we on now, 50 or 80? If somebody makes an application, do they apply for the 50 per cent?

Hon. Mr. Brunelle: Under the regular programme, the cost-sharing capital construction is 50 per cent municipal and 50 per cent provincial, and for renovation of facilities it's 80 per cent provincial and 20 per cent municipal.

Mr. R. S. Smith: Fine. The first different programme you brought out was that crash programme you brought out before Mrs. Birch became the—

Mr. Laughren: Millstone.

Mr. R. S. Smith: —well, I don't know—the Pooh-Bah of this whole group of ministries. You had a winter works programme one year where everybody had to complete all these daycare centres by May.

Miss Crittenden: It was 1971.

Mr. R. S. Smith: I think that one was represented in your actual estimates for 1973 or 1974, was it, somewhere in that area, when you had a programme for daycare building under winter works.

Miss Crittenden: It was 1971.

Mr. R. S. Smith: It was 1971, was it? And that was done on the basis of at least 80 per cent subsidy and perhaps more.

Miss Crittenden: More.

Mr. R. S. Smith: Was it 100 per cent?

Miss Crittenden: It was 100 per cent.

Mr. R. S. Smith: It was 100 per cent subsidy. That was pretty successful, wasn't it?

Miss Crittenden: That was the \$10-million programme.

Mr. R. S. Smith: It was amazing that they got that \$10 million all spent in seven or eight months, eh?

Hon. Mr. Brunelle: Oh, no.

Miss Crittenden: No.

Mr. R. S. Smith: It wasn't amazing to you?

Miss Crittenden: Mr. Chairman, Mr. Basich, who in fact was in charge of that capital programme in 1971, is in charge of it this year. The same pattern follows; it depends on the size of the facility and the locality, whether they are able to get construction started before the frost comes out of the ground or whether they are able to get construction started in the fall if it is an area where they can construct through the winter. All these things come into play, but Mr. Basich could indicate to you the time span of the 1971 programme also.

Mr. R. S. Smith: I would like to know that, because if I recall correctly, there was a May finishing date which you had to extend a bit.

Mr. Basich: Mr. Chairman, that programme commenced in November, 1971, and the intent at that time was twofold; to create new daycare places and create employment during the winter months. Some 3,000 daycare places were established and the funding provided initially was 100 per cent on all work completed until the end of March; then the subsidy was reduced to 80 per cent. I believe the minister, sometime in March, announced an extension of about two months in view of the fact that he did not feel at that time there was sufficient lead time. There was not enough work advanced and there would have been too much hardship for some of the centres. The time was increased by two months, I think, until the end of May for 100 per cent subsidy. I think the majority of centres were completed by, shall we say, November or December of that year so it was about a 12 or 13-month programme.

Mr. R. S. Smith: Yes.

Mr. Basich: The basic difference between that programme, under Project Day Care, and the expansion programme was that at that time we were dealing basically with new facilities, dealing strictly with municipalities and Indian bands.

Under the present programme, I think we've got something like 28 charitable groups

which we are dealing with; we are dealing with a lot of handicapped groups. The focus in this programme was on renovations rather than on new construction. What we are trying to do is take advantage of any spaces available in schools or in churches, things along that line. We are also, in some of the isolated areas, going to pre-engineered buildings to try to reduce some of the costs. These are found quite acceptable by some of the municipalities or groups.

Mr. R. S. Smith: In effect, what you did was put in a \$10 million programme and you gave it seven months to completion.

That is what you said, in effect. That is what the ministry said, "Complete it by the end of May and you get your money. If you don't, you don't get the total money." I'll tell you, people were really moving and they knew how to move to spend that money, those 100 per cent dollars. When it dropped down to 80 per cent dollars, they didn't move quite as fast. And when you drop down to 50 per cent dollars, movement is going to be nil. That's why you only need \$1 million this year.

The whole point here is that the programme announced last year is still going and will still be going next year, according to what has already been said, on the 80 per cent basis because it is on the 80 per cent basis. If you want the programmes to really work, you have to move the rest of that way with 100 per cent. Of course, last year you could have used that 100 per cent in many areas of the province to create employment, just as you could have in 1971 and again this winter. There is going to be an extreme need coming up this coming winter for this type of employment in the construction industry because there is nothing started in most areas.

The smaller areas of the province like my area have to have a greater lead time than you gave them in 1970 when you announced it in November. In my area, the retarded people did take advantage of it but only just; they got in under the wire. Anything north of where I live was out of luck when you announced your programme in November. It was almost as if you were drawing the line across the French River and saying "you people up there are out of luck." I was going to say something else but I won't.

In effect that's what was done when you announced that type of programme as a winter works programme when you didn't give a longer lead time than November. It comes back to the fact that if you really want to build these things in a hurry you can do

it; and people can do it in a hurry if the financial incentive, the carrot, is there. If it is not there, it's not going to be done.

When you drop back to your 50 per cent financing this year, it is just ridiculous because I don't know any municipalities—or very damn few—which are going to be able to survive that other 50 per cent financing. This government keeps telling us it is doing more for municipalities each year. Here is one programme where it is doing less now than it did in 1970. It is doing less now than it did last year. It's a declining percentage of cost that the municipalities are receiving. They are down to 50 per cent; and next year you will likely have it down to 30.

Hon. Mr. Brunelle: Mr. Chairman, I would like to say to the member that many organizations and municipalities were disappointed not to be able to take advantage of the 100 per cent funding programme.

Mr. R. S. Smith: But many of them were able to.

Hon. Mr. Brunelle: That's right.

Mr. R. S. Smith: They were right there and they did it.

Hon. Mr. Brunelle: But what is happening now is that we are receiving many applications—as a matter of fact, I approved another one this morning—at 80 per cent funding. There are many today who are taking a look at existing facilities—vacant schools, vacant churches or parts of these buildings—and this we want to encourage. We strongly believe that there are many good existing buildings that could be used instead of building new ones.

Mr. R. S. Smith: Okay.

Hon. Mr. Brunelle: The 80 per cent funding on the regular programme does accomplish this.

Mr. R. S. Smith: Yes, it certainly does, but what about the other areas where they are not? What are those kids supposed to do if there is not an existing building and the municipalities obviously can't afford your 50-50 deal? You know that as well as I. Mr. Anderson knows that; he comes from a municipality that would never go for a 50-50 deal.

Hon. Mr. Brunelle: It's a good point.

Mr. R. S. Smith: The minister comes from a municipality that couldn't afford that and so do I.

Hon. Mr. Brunelle: My municipality could, but there are many municipalities in my constituency that could not afford 50 per cent for new or 80 per cent for existing facilities. It could well be that maybe we could have a more flexible policy maybe using the criteria of industrial or local assessment and population. It is something we would certainly be prepared to take a look at.

Mr. R. S. Smith: You should tie it into something, because obviously once your \$10 million that you had left over from last year runs out—by the way, how much of that is now committed? How much of the programme announced by Mrs. Birch last June is now committed?

Hon. Mr. Brunelle: The entire amount; \$14 million.

Mr. R. S. Smith: So there are no more 80 per cent dollars left?

Hon. Mr. Brunelle: There are no more 100 per cent dollars left—

Mr. R. S. Smith: I know that.

Hon. Mr. Brunelle:—under our regular programme.

Mr. R. S. Smith: I know. That was gone three years ago. We all know that.

Hon. Mr. Brunelle: Under our regular programme, Mr. Chairman, we have funds available at 80 per cent for renovations of existing buildings and 50 per cent for new construction.

Mr. R. S. Smith: But you don't have any 80 per cent dollars available for new buildings?

Hon. Mr. Brunelle: Not for new buildings. We never had. We had just the two programmes; 50 per cent regular and 100 per cent. We never had 80 per cent capital for new buildings. It was either 50 per cent regular or 100 per cent on the programme of 1971 and on the daycare expansion programme announced in June.

Mr. R. S. Smith: It was 100 per cent too?

Hon. Mr. Brunelle: Yes, 100 per cent.

Mr. R. S. Smith: I thought it was 80 per cent, I'm sorry. Now you are dropping back to 50 per cent in a time when we do need construction. We didn't need construction in the last year and a half or two years. It was a busy time in the construction industry.

Hon. Mr. Brunelle: The hon. member makes a good point. If there is serious unemployment—say, come this fall and this winter—it could well be that we could have another capital expansion programme to create employment and at the same time to fill the social needs. This government is always responsive to the needs of the people.

Mr. R. S. Smith: I would say to you that any municipality that enters into a 50 per cent agreement with you right now has to have their heads read. If the clerk or the treasurer of that municipality allows or advises the council to enter into a 50 per cent agreement with you right now that has got to be something else again, because you just are not even going to spend that \$1 million. Unless there are municipalities in this province that are so—

Hon. Mr. Brunelle: On renovations, Mr. Chairman, I say to the hon. member, there is a lot of interest—

Mr. R. S. Smith: I am not talking about renovations.

Hon. Mr. Brunelle:—at 80 per cent.

Mr. R. S. Smith: I am talking about new construction. There are places where renovations aren't possible; where there are not buildings that can be renovated.

Those municipalities which don't have places to renovate can't afford to get into any new programmes, and you know that as well as I.

Hon. Mr. Brunelle: That's a good point. I accept what you are saying. I think it is a good point, it's a valid point, and it is something we can certainly keep in mind. If we find that the response is for new facilities in areas where there is a need we would have to amend our regulations and we would be prepared to take a look at it.

Mr. R. S. Smith: You are better to go to 80 per cent and get something done than leave it at 50 per cent and get nothing.

Mr. Martel: Not as far as the province is concerned.

Mr. R. S. Smith: No, but as far as the people in the municipalities are concerned it is.

Mr. Martel: That's only secondary.

Mr. Chairman: If you gentlemen are through, Mr. Haggerty.

Mr. R. S. Smith: Oh no, I still have a few more questions.

Mr. Chairman: Okay.

Mr. R. S. Smith: The 1974-1975 estimates were \$3,624,000, and as I understand it that's plus the \$10 million that was announced by Mrs. Birch. Or was it \$15 million, or have we established that yet?

Hon. Mr. Brunelle: The announcement that Mrs. Birch made was for \$15 million.

Mr. R. S. Smith: So the total amount available for capital expenditures was how much?

Hon. Mr. Brunelle: Her announcement was both capital and operating.

Mr. R. S. Smith: And \$1.6 million was operating, is that right? Was the rest capital?

Hon. Mr. Brunelle: Have we a breakdown of the \$15 million as announced in June?

Mrs. Campbell: \$10 million was supposed to be capital, and \$5 million was operating wasn't it? Surely somebody knows.

Hon. Mr. Brunelle: I am going by memory. I think it is somewhere around \$9 million to \$10 million capital, and the balance for operating.

Mr. R. S. Smith: How much of that was capital?

Miss Crittenden: I believe we were given the assurance of \$15 million. Now, as we broke it down into capital, we had to take the operating costs as they existed per place at that time and estimate them. This is why the figures are not as precise as they might be because, even from last July to March, the costs are changing rapidly, in alterations, new construction, and upgrading. It makes this \$5 million versus \$10 million sound imprecise, but actually, these are being adjusted as each cost comes in.

Mrs. Campbell: But it is basically \$10 million and \$5 million?

Mr. R. S. Smith: How much of that money was actually spent in both categories? We have a bunch of guys with answers, but nobody knows.

Mrs. Campbell: They are terrified to answer. We might find out the truth.

Hon. Mr. Brunelle: We want to give correct answers.

Mr. R. S. Smith: I am not finding fault. I'll wait.

Mr. Anderson: Actually, the money committed was \$14.99 million for capital. As for what was spent, Mr. Basich indicates it is something about \$1.8 million that was actually accomplished in projects and submissions to that point. The amount indicated to be available was somewhere in the neighbourhood of \$15 million. As Miss Crittenden has indicated, the ministry is committed, under legislation, to pay the operator 80 per cent of the operating costs of whatever is built. Any projection which said \$10 million for capital and \$5 million for operating would have been totally unrealistic in the sense that nothing can be paid for operating until it is built, and has children enrolled in it.

It was very unlikely anything contracted for during the period subsequent to June or July, when these statements were being made, was going to be operating at all during that period of 1974-1975 spending. In fact most of the money was then allocated for capital. The operating expenditures will have to be included progressively as these buildings are staged for completion, staffing, and of course, filled by children. This can be any time. Some have no operating expenses at all even during the period 1975-1976. If they are not completed, they can't take a child.

Mr. R. S. Smith: I understand that completely, except we got one story then and we get another story now. We had \$10 million and \$5 million a few minutes ago confirmed; now we have \$14.9 million confirmed total capital.

Mr. Martel: It says \$8 million in a letter I have from the minister.

Mr. R. S. Smith: Then we look at the estimates and see the 1975-1976 estimates of \$10,509,000 and you say that only \$1.8 million was spent up until the end of the fiscal year 1974. If you take \$1.8 million from \$14.9 million you are left with \$13.1 million. The \$13.1 million has now shrunk to \$10,509,000. We have a shrinkage there of \$2.5 million without even thinking about it. Then you say to me that you put an extra \$1 million in this year, so that makes \$3.5 million. Where did it go? Is Shouldice building these places or who is building these places?

Mr. Martel: Joe Fabbro.

Mrs. Campbell: That is the \$2 million they said I was wrong about. It is the \$2,292,706

which was unspent and which has been lost and which has caused at least one project to go into a deficit position and forced an encroachment on the new capital.

Mr. R. S. Smith: I am sorry but this whole set of figures is in question in my mind and I'm sure, in the mind of everybody sitting here. Nobody has a clear and concise statement to make as to where the money is, where it went and how it is being spent.

I have two different sets of figures from two different sides of the front table. I get different figures out of this blue book. I get different figures out of the letter that the minister sent to my friend from Sudbury East. What we are here for really is to see how you people spent the money and to see that it is being spent properly and budgeted properly. Obviously, we are not going to get that because its just a hodge-podge. You are playing games with us.

Hon. Mr. Brunelle: Mr. Chairman, we are not playing games.

Mr. R. S. Smith: What would you call it?

Hon. Mr. Brunelle: We will go over the figures once again. I guess you were out when these matters were discussed.

Mr. R. S. Smith: I have been here all afternoon. I have sat here since you were here. I have not been outside the door. I've got to go pretty soon, mind you, but I haven't been outside the door.

Mr. Martel: We won't get personal.

Mr. H. C. Parrott (Oxford): Give the man another drink of water.

Mr. Martel: You have my permission.

Hon. Mr. Brunelle: Mr. Basich, would you go over the figures?

Mr. Martel: Give it to us slowly.

Mr. R. S. Smith: Maybe what we could do is after supper the ministry could give us the complete reconciliation—

Mrs. Campbell: In writing.

Mr. R. S. Smith: —in writing, of this whole darned mess so that we simple souls out here can understand it. Then we will try to put it together with what we have in front of us. I would be satisfied if the ministry wants to do that rather than just giving us another set of figures.

Mrs. Campbell: Could we have it at 8 o'clock?

Hon. Mr. Brunelle: I would be pleased to give you the details later.

Mr. R. S. Smith: I would like those figures to go right back to 1970, to that winter programme that started in November, 1970. I would like a breakdown on how that money was spent and how that money was expended over seven months, and whether there were further extensions beyond May to bring them into October, as somebody has indicated, and if in fact there were expenditures made illegally past May at the 100 per cent basis rather than at the 80 per cent basis. The whole thing is just getting out of hand because nobody can understand it.

Hon. Mr. Brunelle: Mr. Chairman, we will be pleased to provide the members with as much information as possible. I would like to reiterate again what I said earlier, that there is no intention of misleading anyone. It's a straightforward matter and we will have these figures available for you this evening. If we can get you the 1971 figures, so much the better. But if we can't have those ready by 8 o'clock, we will definitely have the 1974-1975-1976 programme.

Mr. R. S. Smith: I am satisfied with that, because we can't just leave them up in the air the way it is. I don't think anybody wants to do that, including your own people, because I don't think it serves their purpose either.

I have a couple of other questions on this vote to do with Children's Aid Societies and the amounts of moneys that are being made available to them. I know full well of the meeting tomorrow in regard to preventive services so I am not going to talk about that.

Mr. Chairman: I wonder, Mr. Smith, if Mr. Haggerty's question is on daycare centres?

Mr. Haggerty: Yes.

Mr. R. S. Smith: Yes, but children's services come under the same vote.

Mr. Chairman: Yes, but could we complete one section before we jump into another.

Mr. R. S. Smith: Yes, but it is all under the same vote.

Mr. Chairman: Yes, I know. I realize that, but I just thought Mr. Haggerty's was along the same line, and they have to get information for him.

Mr. R. S. Smith: Well, it has something to do with daycare, but—

Mr. Chairman: Mr. Haggerty?

Mr. Haggerty: I can go now, can I?

Mrs. Campbell: On your mark.

Mr. Haggerty: Vote 2603, eh? We can't discuss adoption?

Mr. Chairman: I think if we get into other areas—

Mr. Haggerty: But I want to get on to day care, that is right. Perhaps my colleague, the member for Welland, will share some of my comments too.

I believe it was a year ago that the minister—and I was along with him—opened the daycare centre in the city of Port Colbourne. It was a rather elaborate building there. Can you recall that day? I think one was constructed in the city of Welland about a year previous to that, through the regional government of Niagara.

I might say again that I think in that area down there we are further advanced in many fields of social services than other areas throughout the Province of Ontario. One field in particular is the daycare centres we are fortunate enough to have in that area. I understand there is going to be one constructed—it is in the construction stage right now—for the town of Fort Erie. I think you have given approval of that.

Hon Mr. Brunelle: Yes, that's right.

Mr. Haggerty: We will probably have an opening when? Better hurry up before the election is called, anyway.

Mr. Martel: The mayor is going to do that.

Mr. Haggerty: I think the mayor is in my corner. I have nothing to worry about there.

Mr. Parrott: He is.

Mr. Haggerty: I think that the region has come along very well in its daycare services. Perhaps there is need for additional facilities. I was delighted to hear the minister say that he has given consideration to taking in some of the vacant schools in the Niagara region and other areas. A number of them in that area have been closed up and phased out, and I understand there are a number of vacant rooms now.

I think this is in the right direction to move in daycare centres. These youngsters can get

on the school bus with their older brothers or sisters, and they're off to the same school, and it gives them a little edge, I think, as an adjustment period for going into kindergarten. I think it can be a saving to the taxpayer. I might be talking a little bit like a small conservative now, but I think we have to look at that.

I think my comments during the opening of that daycare centre were to the effect that if it operates at its fullest capacity then it will be most effective in the community. I believe the new centre in Welland, wasn't working to its fullest capacity on one occasion. I hope it is today. I think when they are not working to capacity they are not being effective in the community.

I don't know what the cost is involved per child in the daycare centre. Would you have a breakdown on that per diem rate?

Hon. Mr. Brunelle: You are referring to the cost of operation?

Mr. Haggerty: The per diem rate for a child in the daycare centre. What would that be?

Hon. Mr. Brunelle: I would say \$6 to \$12 or \$13, depending on the standard of day care that is employed by the municipality. If a municipality has gone into infant day care then the cost can jump very quickly.

Mr. Haggerty: This particular daycare centre is preschool, so I would imagine it would be anywhere from two to three or four years of age.

Mr. Anderson: If the range starts at two and goes to six, say, then the average cost seems to somewhere between \$6 and \$10. Again this depends on whether the municipality is unionized, whether the total operation is staffed at union level salaries, or whether they buy a certain degree of the service from private operations, which are noted for paying less than the municipalities themselves.

Mr. Haggerty: This particular daycare centre is close to the Northland Manor, which is a home for the elderly, and close to a retarded residence in the area. I think they combine all their services in this one area.

But I was concerned about the cost and, as mentioned before under the poor kids report, about who they are. I think it was said before that there were some 400,000 youngsters in the Province of Ontario who would fall into the poverty category. As mentioned before by one member, I feel the

daycare centres are not reaching the persons who are in need of it.

I can well recall the group of the working poor who come in to visit a number of us members in our offices here and back in our ridings. I feel that these persons are not receiving the services from the daycare centre—particularly the mother who wants to get back into the labour force. It has been brought to my attention that many of them who would go to this particular centre in Port Colborne couldn't afford the taxi fare to get from one side of the city to the other. They have to go by taxi with their children. Many of the working poor don't have cars to travel back and forth; there aren't two cars in the family. I find that many of the mothers who are responsible for the family would like to get back into the labour force. It's rather discouraging for them to try to get their children admitted to the daycare centre there. I feel that you are not catering to the people who really require the need.

Hon. Mr. Brunelle: On that point, Mr. Chairman, I think we're in agreement that the low wage earner should be assisted but, again, in the needs testing this is taken into consideration. The expenses involved, the transportation of the children and the income of the parents is all taken into consideration in a needs test. Some may feel that we should be more generous, but it is a fairly generous testing.

Mr. Morningstar: Mr. Chairman, what do you say it is a day for the preschool children? What is the day care per day?

Hon. Mr. Brunelle: It varies according to the ages from \$5 or \$6 per day up to \$12 per day.

Mr. Morningstar: For one child?

Hon. Mr. Brunelle: Yes, depending on the ages and on the services provided.

Mr. Morningstar: That would be about as much as the parents would make, wouldn't it?

Mr. Haggerty: Particularly if they're under the Family Benefits Act, that's right. They're allowed to make only about \$100 more a month. That's the point that should be taken into consideration. There's no encouragement for them to get back into the labour force. It's more of an encouragement for them to keep away, and under the Family Benefits Act.

Mr. Martel: Mr. Chairman, he's gone berserk again.

Mrs. Campbell: What did he say?

Mr. Martel: You will see in a minute.

Mr. Chairman: He's not pleasing Mr. Martel, obviously.

Mr. Martel: He's gone berserk again.

Mr. Haggerty: Of the \$18 million that you have set aside for day nurseries in the province how much is being shared by the federal government and by the local municipalities?

Hon. Mr. Brunelle: This is a good point that the hon. member has raised—and which also the member for Sudbury East and others raised.

I would like to have Mr. Anderson or Mr. Macdonald explain all the things that are taken into consideration in the needs testing. There are many, many factors that are taken into consideration.

Mrs. Campbell: Oh boy, have you ever tried to work anything out on that formula?

Mr. Haggerty: None of them qualify.

Mrs. Campbell: This is the most gruesome performance I have ever gone through. In St. James Town we sat down and tried to figure it out and it was just gruesome.

Mr. Chairman: Well, maybe it will help to have the clerk explain it.

Mrs. Campbell: It didn't help us over there.

Mr. Anderson: Mr. Chairman, the explanation is indeed complicated because it does permit so many factors to be taken into consideration. When the municipality undertakes to do the needs testing it has a number of options open to it which do provide so much flexibility. It can either be considered helpful or confusing, whichever way you look at it.

Where the social assistance payment might be worked on a basis of flat rates for, say, shelter costs, the test as it pertains to either the homemakers or the day care allows for the actual costs. Most municipalities do build into their needs testing a debt allowance which can be as flexible as the municipalities would like it to be, and at the same time be subject to discretion. So, in one case you may find a woman is being allowed \$50 or \$60 a month off the amount that she might pay towards her existing debts.

Mr. Haggerty: That doesn't work quite the way you are explaining it. If a person on a low income, say under the Family Benefits Act, wants to come in and say, "I have got

two youngsters I want to be accepted into the daycare centre in the city of Port Colborne," I think the social worker would say, "You are going to get shelter care, maintenance care in the daycare centre, so we are going to deduct that." So they are going to be short-changed.

This is why I think that you are going to have to come out with a different programme if you want to remove those persons off the welfare rolls. You are not giving them any encouragement whatsoever. A mother can go out make as much as \$100 a month, but some place along the line you'll just whittle that away. She will end up working for nothing, and end up owing money to the Ministry of Community and Social Services.

Mr. Anderson: Mr. Chairman, with regard to the other question on transportation. In dealing with the kind of mother you are referring to now, who has no income beyond her social assistance, she wouldn't be paying anything towards her day care except a token amount, because that whole amount of social assistance would be considered to be non-chargeable funds. The daycare centre itself can then provide transportation and would be subsidized by us in providing transportation. Up to \$1 a day per child, I believe, is the basic formula, with a provision for more than that.

Now, this means that instead of the woman paying, if the daycare centre chooses to accept as part of its operation the cost of transporting children to and from it, then that can be part of the subsidized cost we would pay; and some municipalities do build that in in certain ways. Many of the charitable organizations which are providing services to the handicapped children, particularly, build it in.

So this is an option; they can either exempt the mother for the money she pays for transportation, or they can build a transportation service in and have it subsidized. Those two options do exist in that particular problem. I don't know whether that totally answers the question you were raising.

Mr. Haggerty: It does in part, but what is the provincial share, the federal share and the municipal share of this \$18 million? Is this complete funding from the province?

Hon. Mr. Brunelle: Well, on the needs testing we receive 50 per cent under the Canada Assistance Plan.

Mr. Haggerty: They are paying 50 per cent then, are they?

Hon. Mr. Brunelle: That's right, on the needs testing programme. And I should mention in conjunction with that, Mr. Chairman, that we are also looking into income testing, instead of needs testing.

Mrs. Campbell: It's 50-30-20.

Hon. Mr. Brunelle: All our programmes are needs tested; whether they are day care, homemakers, or services, and are shared 50 per cent.

Mr. Haggerty: I believe when the minicabinet was meeting in Fort Erie back in January you received fifteen briefs, not particularly for your ministry, but for the Ministry of Health and so forth. I think in one of the briefs there was a recommendation from the regional municipality that you should be picking up the total cost of the daycare centres in the Province of Ontario; that the federal and provincial governments should be picking up on a 50-50 basis, instead of going back to the local municipalities and charging them 20 per cent. That would be for maintenance, I guess, operational costs and so forth. Now if I can recall the comments, the minister said "Well, that is going to cost us some money." Have you given any further consideration to that, that you would be picking up the total costs of those operations?

Hon. Mr. Brunelle: No, Mr. Chairman, we have not given consideration to total payment, having no municipal sharing. Because I think if this was to apply for day care, there are many other programmes that command just as high a priority as day care. We still believe that there should be a municipal sharing.

Mr. Haggerty: In your discussions with your federal colleague have you talked about picking up about 90 per cent between the two upper levels of government, provincially and federally, and then charging the municipality 10 per cent?

Mr. R. S. Smith: The federal government share is limited to 70 per cent in some of their new programmes.

Hon. Mr. Brunelle: But at the conference in Ottawa two weeks ago, as the hon. member knows, the federal government talked about the new Social Services Act, and there will be certain programmes that will be universal, other programmes will be cost-shared on target groups. This whole question of social services is one which is presently under review by the federal and provincial levels of government.

Mr. Haggerty: Have you worked in the communities, for example, where there are a number of female employees, particularly in certain industries? Have you ever consulted with industry that perhaps they should provide daycare centres right at the place of employment?

Hon. Mr. Brunelle: Yes. There is one hospital here—is it the Riverview Hospital—which provides a daycare centre for its employees.

Mr. Anderson: Mr. Chairman, it is Riverview Hospital, a chronic hospital. There are arguments pro and con with regard to that; there have been a number of discussions with industry about that. In a municipality as large as the average city is considered to be in Ontario where day care exists, it's considered not to be a desirable factor to take the child out of its suburban home all the way downtown to the factory, leave it close to the factory and be raised, in effect, out of its own area for a period of maybe five or six years of its life.

As much as possible, the philosophy is to build the daycare centre close to the child and the child's school, rather than take the child to a factory for care.

Mr. Haggerty: This programme has worked very well in Japan, I understand, and is part of their industrial complex. Usually when a new factory or industry is located there that is taken into consideration and daycare centres are provided. They even provide recreation and resort areas for their employees, too. It's more of a family unit in a sense because both husband and wife can be employed in industry.

Mr. Chairman: In Germany, the mothers have their lunch hours with the children. One of the biggest companies there is Nestlé's.

Mr. Haggerty: I was wondering if perhaps you shouldn't be looking in that direction, to indicate to industry that it has a responsibility in this field, too.

Hon. Mr. Brunelle: As has been indicated, it has been looked at but we're prepared to look further into it. Any ways and means to provide more daycare services are certainly worth considering.

Mr. Laughren: Would you permit a supplementary, Mr. Chairman?

Mr. Chairman: Yes.

Mr. Laughren: Without usurping my colleague's turn, what proportion of daycare places, if that's the right term, in Ontario are

in Metropolitan Toronto? The last figure I saw was remarkable. That was a couple of years ago.

Hon. Mr. Brunelle: Are you referring to private day care as well?

Mr. Laughren: Both subsidized and private.

Mr. R. S. Smith: Of the total 46,000?

Mr. Laughren: Yes, right. I'd be interested in knowing but I can wait for that answer, Mr. Chairman, if you want to.

Mrs. Campbell: The reason we have day care in this area was because Toronto took on its responsibilities years ago and started it. Metro was forced to take on that responsibility. If other municipalities don't want to do it, don't blame us because we have it here.

Mr. Laughren: Other municipalities don't have the assessment Toronto does.

Hon. Mr. Brunelle: Our people will have that figure.

Mr. J. K. Macdonald: Yes. Of the 1,200 or 1,300 licensed nurseries, 294 are in Toronto.

Mr. Laughren: Yes, but that's licensed nurseries; how about places?

Mr. Martel: The total is about 46,000; how many are in Toronto?

Mr. Laughren: Not beds; we're talking about warm bodies.

Mrs. Campbell: Not here. We haven't got floor space, let alone beds.

Hon. Mr. Brunelle: On that subject, in the daycare expansion programme that is why, when it was announced, it was province-wide. Many were built in many parts of the province where they did not exist before.

Mr. Laughren: When it was 100 per cent only, though, as the member for Nipissing keeps telling you.

Hon. Mr. Brunelle: On that question of 100 per cent there are various views on that. There are many who feel maybe 100 per cent is not necessarily the best percentage.

Mr. Martel: They must all be in the cabinet.

Hon. Mr. Brunelle: Some have recommended that it should be 90 per cent. The reason behind 90 per cent is that when you have a 100 per cent funding programme, at times some can build without necessarily having a

real need. When it's 90 per cent you need a certain local involvement.

Mr. Laughren: It would be nice to see you start at 90 per cent anyway.

Mr. Martel: That's a weak excuse.

Mr. Chairman: Are you finished, Mr. Haggerty?

Mr. Haggerty: No, I haven't. Going back to this report dealing with poor children here, "Poor Kids," this report was based upon the 1970 or 1971 census. Would you have any more up-to-date information related to the number of children in poverty in the Province of Ontario? Would it be 400,000 or 500,000? The reason I make reference to that is, it says here:

Even in this rich province of Ontario and British Columbia, where the lowest proportions were found, more than one child in six was living within a family with less than the poverty level of income.

Mr. Martel: Ellis Morningstar doesn't believe that, by the way.

Mr. Haggerty: Of course, when I look at the other two provinces in the report, Manitoba and Saskatchewan, I'm amazed at the figures that are there; 31.6 per cent and 38.4 per cent, and Ontario and British Columbia average about 17.8 per cent of children in the province that are classed in this category.

Mr. Martel: Would you like to tell us about Quebec?

Mr. Laughren: The Maritimes.

Mr. Haggerty: Well, Quebec has a lesser proportion of children living in poverty than do six other provinces. In Ontario, we have the lowest proportion of all. The greatest number of poor kids, 929,523, almost 60 per cent of the Canadian total, live in these two provinces.

Mr. Martel: What about Newfoundland? They are all starving after 25 years of Joey Smallwood.

Mr. Laughren: The federal government should be ashamed.

Mr. Haggerty: What would be the total number of children in poverty in the Province of Ontario? Would it be 400,000, based upon the figures in 1970, or what would it be in 1975? Would you have any figures at all? I think what it indicates here is that you have a job to do here. One in six children are in

that category and you are going to have to move to do something to get them out of that category.

Hon. Mr. Brunelle: As you know, the announcement last Thursday will give considerable assistance to those mothers who are on family benefits.

Mr. Martel: That brings them up to the 1972 cost of living.

Mr. Chairman: Are you through, Mr. Haggerty?

Mr. Haggerty: Fine. Yes, I'm through.

Mr. Chairman: Mr. Smith.

Mr. Martel: Mr. Chairman, you've got to be serious.

Mr. Chairman: Yes, I am.

Mr. Martel: I thought so.

Mrs. Campbell: Are we now onto some other subject, or are we still on day care?

Mr. Chairman: Does anyone else have anything left on day care?

Mrs. Campbell: I have two questions, if I may.

Mr. Chairman: All right, Mrs. Campbell.

Mrs. Campbell: What are we doing about those people who are in receipt of unemployment insurance benefits? Why aren't we getting them covered for day care? To me this has to be male logic; no woman would ever figure on this basis. You want these people to go back to work but you won't subsidize them for day care so that they can go back to work. That is not a female logic.

Mr. Martel: I didn't think they had any kind of logic.

Mrs. Campbell: What are you doing about that?

Hon. Mr. Brunelle: The hon. member knows the income is calculated in the needs testing.

Mrs. Campbell: No, not for unemployment insurance. They don't calculate it at all. It's just not regarded as income, isn't that correct?

Mr. Anderson: Unemployment insurance is considered as income. The barring factor is that if after a certain period of time the unemployed person is not returning to the work force then they would not necessarily qualify

for admission to most municipal daycare centres.

Mrs. Campbell: But even while they are on unemployment insurance they can't get subsidized.

Mr. Anderson: There would be nothing to prevent them being subsidized now.

Mrs. Campbell: Is it Metropolitan Toronto that makes that rule? They are not covered. Am I right or am I wrong? They are not covered.

Mr. Anderson: I'm not aware of anything that would require that money to be taken into consideration in any other way except as income, and it would determine whether or not they were able to pay. If the person was drawing \$100 a week unemployment insurance and was between jobs and actively seeking a job then I don't know why the municipality would not be permitted to continue the child care and require the mother to pay in accordance with the income available from that \$100 a week.

Mrs. Campbell: I wonder if you could check it for Metro Toronto.

Mr. Anderson: It could be a municipal policy.

Mrs. Campbell: I'd like to understand it, because my information was—I'm glad for once you are confirming it—it was the feds and I've been after them about it. Now you say it is Metro.

Mr. Anderson: To the best of my knowledge, but I will confirm it, and have the answer for you.

Mrs. Campbell: Our information from the people who were dealing with this service in St. James Town was that this was not considered as income, and they were just not eligible for subsidy. I'd like to know whether that is right or wrong. This has been confirmed by several people. If we don't know, I would like to find out.

The other thing I would like to know is, whether we could get an estimate of the average costs of renovations in your programme. No matter what Mr. Anderson said, I am not sold on the fact renovations are that useful. I'd like to get the cost, and I'd like to know the difference in cost for renovations between day care and the nursery school operation.

Mr. Chairman: Would you require that on a per foot basis? I don't know what sort of averaging you could possibly get.

Mrs. Campbell: You must have some examples of what it is costing to do renovations. I don't want it on a per square foot basis, but I would like to look at the figure. I am still not convinced it is a healthy programme to be renovating these churches. It still burns from what we did in Metro.

Mr. Anderson: To give an example of why the renovation figures are not too valid, and again, dealing with circumstances with which you would be familiar, there was one old church in which it was recommended no action be taken to renovate it. The costs eventually ran around \$90,000. Contrarily, there was a church in North York, probably only 10 years old and where the use of the parish hall had not developed, where they had a fully equipped kitchen. A bigger daycare centre was eventually established for somewhere between \$10,000 and \$20,000. Now, to cite an average of \$50,000 wouldn't be good. It depends on the kinds of facilities that are available. Probably, it would be more valid to use more discrimination in what is renovated, rather than trying to strike an average.

Mrs. Campbell: Is that used as part of the criteria? I am thinking of two old churches in

Toronto, not just one, and they both ran to that kind of money, and that was in 1967 or 1968.

Mr. Chairman: Perhaps they could mull over the answer a bit further, Mrs. Campbell, it now being 6 o'clock.

Mr. A. Carruthers (Durham): Pass this vote?

Mrs. Campbell: No, sir, we are not ready yet.

Mr. Carruthers: I just asked.

Mr. Martel: Don't bother asking, we will tell you.

Mr. Carruthers: I realize that. I realize you tell us all.

Mr. Martel: We will tell you when we are ready.

Mr. Carruthers: I know, that is your authority.

It being 6 o'clock p.m., the committee took recess.

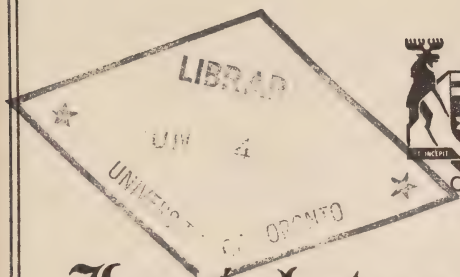
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Ontario. Legislative Assembly

Legislature of Ontario Debates

ESTIMATES, MINISTRY OF COMMUNITY AND SOCIAL SERVICES

Standing Social Development Committee ⁵⁷

Chairman: Mr. R. G. Hodgson

OFFICIAL REPORT — DAILY EDITION

Fifth Session of the Twenty-Ninth Legislature

Monday, May 12, 1975

Evening Session

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

THE QUEEN'S PRINTER
PARLIAMENT BUILDINGS, TORONTO
1975



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LEGISLATIVE ASSEMBLY OF ONTARIO

MONDAY, MAY 12, 1975

The committee resumed at 8 o'clock, p.m.

ESTIMATES, MINISTRY OF COMMUNITY AND SOCIAL SERVICES (continued)

On vote 2603:

Mr. Chairman: Mr. Smith, do you want to go ahead?

Mr. R. S. Smith (Nipissing): Yes, I want to start off.

Mr. E. W. Martel (Sudbury East): Go ahead.

Mr. R. S. Smith: I am happy to get this because now I understand at least what it is all about, even though I find it rather incredible. At least we have the figures in front of us. The good people within the civil service have been able to provide us with what they've been given by the politicians.

Up to 1973, you had no real capital projects programme, other than that paltry sum of \$158,000 in 1971-1972 which was paying 50 per cent of the costs, as I understand it, of capital projects. Am I right in that?

Hon. R. Brunelle (Minister of Community and Social Services): Yes, our regular projects are funded at 50 per cent.

Mr. R. S. Smith: Project Day Care came out in 1971. This was a pre-election promise of \$10 million.

Hon. Mr. Brunelle: There was a need. We recognized it and we funded it 100 per cent in 1971.

Mrs. M. Campbell (St. George): You always recognize it in an election year. Why don't you do it the rest of the time?

Mr. R. S. Smith: That money was spent, as I understand it, in a seven-month period. Am I correct in that?

Hon. Mr. Brunelle: Longer than that, Mr. Chairman. I believe it extended over two fiscal years—the fiscal year of 1971-1972 and 1972-1973.

Mr. R. S. Smith: As I understand it, you had the right from the Legislature to provide 100

per cent granting from November, 1971, through May, 1972. For anything that went beyond that you must have taken the money out of your own pockets because you had no authority. You didn't extend the programme past May, 1972.

Hon. Mr. Brunelle: There was, I believe, an extension given. It was for six months.

Mr. R. S. Smith: I was told this afternoon there was an extension given for two months. Now you are showing in these actual figures expenditures in 1972-1973 of \$6,790,124. As I figure it, from November, 1971 to May, 1972, is seven months. In that period of time, you were either able to spend \$10 million, or you weren't. If you went beyond that period of time and paid those expenditures, then you did it outside the legislative right. Either that, or the programme worked so well you did it in seven months. I have just taken the word of your own people, and yourself.

Hon. Mr. Brunelle: The figures you have are the same. This is the sheet you are reading from?

Mr. R. S. Smith: Right.

Hon. Mr. Brunelle: The way I read this, Project Day Care for 1971-1972 was \$3,242,371, and in 1972-1973, \$6,790,124, making up the \$10-million expansion programme.

Mr. R. S. Smith: I was told those terms of reference were for a seven-month period only. It was a winter works project that was to be completed first of all by April 1 of that year. Then there was an extension until the end of May.

Hon. Mr. Brunelle: That's right.

Mr. R. S. Smith: How did that money get expended in 1972-1973? Was it all spent in that seven-month period? I want to know if the money was spent in the seven-month period for which you announced the programme and for which you had statutory right?

Hon. Mr. Brunelle: The money was spent in those two fiscal years as indicated on the sheet.

Mr. R. S. Smith: No, but you refused municipalities extensions this past May.

Hon. Mr. Brunelle: There was a deadline. We did extend it until July 1; I can be corrected on this.

Mr. R. S. Smith: That is not what I was told this afternoon. You extended it to May.

Hon. Mr. Brunelle: I believe the deadline was extended several months.

Mr. M. W. Basich (Director, Capital Services): It was extended two months, Mr. Chairman, on the first project.

Mr. R. S. Smith: April and May.

Hon. Mr. Brunelle: It was extended until June 1, 1972.

Mr. Basich: May I speak to that? The programme was announced on October 8, 1971.

Mr. Martel: Right in the middle of the election. I recall it well. As though it was only yesterday.

Mr. R. S. Smith: It was a week before the election.

Mrs. Campbell: That was \$10 million?

Hon. Mr. Brunelle: That's right, \$10 million day care.

Mr. Martel: Right.

Mr. Basich: The programme was announced in October. At that time, it was indicated any work completed between November 1, 1971, and the end of May would be paid for at 100 per cent. Any work subsequent to that would be picked up at 80 per cent. At the end of May there was an extension—I stand corrected on that—until the end of July for the 100-per cent funding.

Mr. R. S. Smith: I was told earlier today that the extension was for April. Let's make up our minds as to what the extension was. Was it April or May or was it June or July?

Mr. Basich: Mr. Chairman, I did not have the benefit of the report at that time. I do have the report before me now.

Mr. R. S. Smith: Okay. All those moneys, that \$10 million, was fully expended by the end of July at 100 per cent funding.

Hon. Mr. Brunelle: Not necessarily fully expended but the projects were approved because we pay the money as the construction—

Mr. R. S. Smith: Is completed?

Hon. Mr. Brunelle: Yes. A lot of that money was not paid until the end of the fiscal year. It was paid, as indicated on the sheet, over that two-year fiscal period.

Mr. R. S. Smith: At 100 per cent?

Hon. Mr. Brunelle: At 100 per cent.

Mr. R. S. Smith: Let's make up our minds about this; you are all over the place. We have given you the whole supper hour to come up with some answers and you are still all over the place.

Mr. Chairman: Let the man explain, please. Order, please. Let the man explain.

Mr. Basich: The total expenditure for the project, which went from November 1, 1971, until the completion of the project was provincial grants, \$10,032,495, and the participants' share in the programme was \$267,115. That latter figure represents the sharing at 80 per cent for work not completed by the end of July. There was some spillover. The funds were picked up in fiscal years 1972 and 1973.

Mr. R. S. Smith: All right; so there were some 80 per cent dollars.

Mr. Basich: Of the \$10 million, Mr. Chairman, there was \$267,000.

Mr. R. S. Smith: That is altogether different from what was being said before, that it was all 100 per cent money. It wasn't all 100 per cent money.

Hon. Mr. Brunelle: We are 98 per cent or 99 per cent right. Okay, we will admit that then, but generally speaking it was a 100 per cent funding programme, except for that \$200,000 which was at 80 per cent because they were beyond the extension period.

Mr. R. S. Smith: That \$200,000 represents \$1 million of your money?

Mr. Basich: No, that's—

Mr. R. S. Smith: If it is \$200,000 of municipal money, it is \$1 million of your money because it is 80-20. Or it is \$800,000 of yours and \$200,000 of theirs; but it is over \$200,000 so it is almost \$1 million of yours.

Mr. Martel: What's a million? You sound like C. D. Howe. What the hell is a million?

Mr. R. S. Smith: Anyway, there is no use arguing that point. You spent the money and the project worked really well while it was 100 per cent; it dropped off at 80 per cent

and went to nothing when you went to 50 per cent. The next year you went to \$580,945 total—in 1973-1974—and that was all you spent on a 50 per cent funding basis. In 1974-1975, you had in your first budget \$923,000 or less than \$1 million on the 50 per cent basis. Then the Provincial Secretary for Social Development (Mrs. Birch) came out with her programme of \$15 million which we can't decide how to split and nobody really knows. There was only \$1 million of that money spent and that was 100 per cent money.

There was also the \$923,464. I would like to ask how much of that \$923,464, 50 per cent money, was spent last year?

Hon. Mr. Brunelle: Out of the regular programme, how much of the \$923,464 under the regular programme was spent? That is the actual amount spent at 50 per cent? Therefore there must have been—

Mr. Martel: A matching amount?

Mr. R. S. Smith: That is the actual amount spent?

Hon. Mr. Brunelle: Yes.

Mr. R. S. Smith: What was the estimated amount in your budget? That amount too?

Hon. Mr. Brunelle: What was the estimate?

Mr. R. S. Smith: Yes. I can't—\$1,650,000, is that right? On page 46 of the blue book are altogether different figures from those I have here. I have estimates for 1973-1974. I don't have 1974-1975 estimates.

Mr. Martel: There is 1974-1975—\$3,624,000.

Mr. R. S. Smith: And of that \$3,624,900 I guess only \$923,464 was spent.

Mr. Martel: Go over to the next one and see the interesting statistics.

Mr. R. S. Smith: I want to wait until I go along in chronological order.

Mr. Martel: But look at 1973-1974. The actual expenditure on the sheet shows \$580,000 and they show as actual \$580,000—oh, they have that one right. It is the estimate. They only short-changed themselves by another—

Mr. R. S. Smith: One million dollars.

Mr. Martel:—\$1 million that they didn't spend. They couldn't find a place to spend \$1 million on day care.

Mr. R. S. Smith: But in 1974-1975—

Hon. Mr. Brunelle: Because we respond to the demand.

Mr. R. S. Smith: Would you mind if I follow this through? In 1974-1975 you estimated your expenditures under the old programme of 50 per cent at \$3,624,000 and you only spent \$923,000 of that.

Hon. Mr. Brunelle: On the regular programme.

Mr. R. S. Smith: Right.

Hon. Mr. Brunelle: And then \$954,294 on the daycare expansion programme, making a total of \$1,877,758.

Mr. R. S. Smith: Right. But even if you took into account the new moneys that the Provincial Secretary for Social Development brought in in June you are still \$1.8 million short of what was estimated under the old programme.

So, in fact, you had an estimate of \$3.6 million; you made an expenditure on that estimate of \$924,000, or less than \$1 million; and the provincial secretary came in with her new programme of \$15 million of which you spent last year less than \$1 million. So really, in effect last year, with all the press releases and everything else, you came out \$1.8 million below your first estimate, let alone the provincial secretary's statement of June.

Hon. Mr. Brunelle: As was explained earlier, Mr. Chairman, the programme really didn't get under way until this fall. Quite true, the announcement was made in June. But during the summer months there was very little response. It was really this fall that the inquiries started to come in.

Mr. R. S. Smith: But it was obvious that your regular programme was not going to work either?

Hon. Mr. Brunelle: No. Going back to the criticism that we only have \$1 million, I think most of the inquiries we are now receiving are for renovations at 80 per cent. There will not be too many inquiries or requests for funding at 50 per cent. Why? Because we had 100 per cent funding in 1971 and then we had 100 per cent funding in 1974-1975.

Mr. R. S. Smith: Okay. So what you have effectively done, as of the first of this fiscal year, other than for those funds already committed under the programme announced by the provincial secretary last June, is cut off the expansion of daycare facilities if they are new facilities.

Hon. Mr. Brunelle: As I have said earlier several times, Mr. Chairman, we have committed ourselves to 110 daycare centres at an estimated cost of \$14,933,911.

Mr. Martel: Where did you get the money?

Mr. R. S. Smith: But that was all on commitments made prior to this fiscal year.

Hon. Mr. Brunelle: This will be over a three-year fiscal period: In 1974-1975; this year of 1975-1976, and next year of 1976-1977.

Mr. R. S. Smith: I'll accept that, because you have the figures here.

Mr. Martel: Wait a minute.

Mrs. Campbell: That's what they said.

Mr. R. S. Smith: Because you have already committed that money, because there is none of that money left—every nickel of it right now is committed—there are no new starts on new facilities from here on in unless they were previously committed. Okay?

Hon. Mr. Brunelle: We have indicated previously that we have \$1 million for regular capital daycare programmes; at 50-50 or, hopefully, 80 for renovations.

Mr. R. S. Smith: Okay.

An hon. member: Why not?

Mr. R. S. Smith: What you really have for new daycare facilities being built, other than those under the Birch programme of June of last year, is nil dollars. It's not going to work anyway, because nobody wants it. Nobody wanted it before and nobody wants it now with 50 per cent.

Hon. Mr. Brunelle: I said we approved one this morning. We are approving them at 80 per cent. They are coming in at 80 per cent. These are existing buildings, either classrooms, churches or good buildings. Where we feel it's warranted, we approve them at 80 per cent. These requests are coming in.

Mr. R. S. Smith: Okay, but what about places where those facilities aren't available?

Hon. Mr. Brunelle: As I told the member before dinner hour, I think the hon. member makes a good point in certain areas where there are no existing facilities and where the community is unable to pay the 50 per cent. We should perhaps review our policy and take a close look to see whether there would be some flexible way of providing more assistance to those municipalities who financially are unable to meet the 50 per cent.

Mr. R. S. Smith: Okay, fine. In this year's estimates you have the \$10,509,700. There is no argument about that. It is right there in your estimates. It contains \$1 million which is basically used for the 80 per cent, and \$9,509,000 which is 100 per cent financing. You have the projected figure of \$4.3 million. It is projected because there is no way under the methods of financing in this province you can come in here and say, that figure will be there next year. You know that as well as I. That's what the financing of this province is all about. There is no way you can commit for next year.

Mr. Martel: Draw up next year's budget again.

Mr. R. S. Smith: You would have to do it by a special Act of the Legislature, which you haven't done to this date.

Mr. Martel: Nothing like getting four or five kicks at the can with the same buck.

Mr. R. S. Smith: In fact, I don't think you even have the legal right to enter into an agreement with the municipality based on that money.

Mr. Martel: He doesn't.

Mr. R. S. Smith: Not unless you have it in your estimates, and you don't have it in your estimates.

Hon. Mr. Brunelle: From past experience, many of these projects we have approved will not be completed by the end of this fiscal year, March 31, 1976.

Mr. R. S. Smith: These 100 per cent projects?

Hon. Mr. Brunelle: Yes. There will be a certain number that will not have been completed.

Mr. R. S. Smith: What difference does that make as far as the estimates are concerned for next year? It doesn't mean anything. I'm not trying to be difficult.

Hon. Mr. Brunelle: No.

Mr. R. S. Smith: But you people always hide behind this when you want to. You say you can't stipulate money, you can't earmark money.

Hon. Mr. Brunelle: No.

Mr. R. S. Smith: But you earmark money when you want to. When you don't want to, you say—"we can't do that".

Hon. Mr. Brunelle: Yes.

Mr. R. S. Smith: You've got to be consistent.

Hon. Mr. Brunelle: Yes, but at the same time we do have offsets. Sometime we will. In family benefits and general welfare we do try to the best of our knowledge, to budget ahead. Sometimes we over-estimate, or under-estimate. We often offset. We can go back to Treasury Board and say we've underestimated. We can maybe get an offset from some of our other programmes.

Mr. R. S. Smith: Have you got Treasury Board approval for that \$4,345,000 for 1976-1977?

Mr. Martel: I don't believe it exists, to be quite frank.

Mr. R. S. Smith: How do you know who the Treasury Board's going to be then?

Hon. Mr. Brunelle: Have you any doubts in your mind? I haven't. I certainly don't.

Mrs. Campbell: Yes.

Mr. Martel: I don't believe, Mr. Minister, you've got \$4,300,000. I don't believe that figure. I'm very cynical, I just don't.

Hon. Mr. Brunelle: We have made those commitments and they will be honoured.

Mr. Martel: I distinctly recall the provincial secretary saying that out of the \$15 million she was allocating, \$10 million was going for capital and \$5 million for maintenance. You can kid all the troops you want, but that's the way that \$15 million was divided. It was with great difficulty we even got that figure extracted from her and from you during the estimates last year. If you want to check Hansard, you do so. It's there.

Hon. Mr. Brunelle: Do you not support the \$15-million capital expansion grant?

Mr. Martel: Don't run a red herring into it with me. When I look at these figures, and I see what Ontario has done in the last, one, two, three, four, five years, it's a disgrace.

Hon. Mr. Brunelle: Daycare programmes, Mr. Chairman?

Mr. Martel: Daycare programmes.

Hon. Mr. Brunelle: Mr. Chairman, we can be proud of our daycare programme.

Mr. Martel: You might be. You are the only one.

Hon. Mr. Brunelle: It compares very favourably with any other jurisdiction in this country.

Mrs. Campbell: When you won't honour the commitment, the election promise of 1971 to the Hydro block for housing, that makes us cynical.

Mr. Martel: I've never in my life seen a government that could use the same set of figures to get so much press. That's one of the problems that is wrong with the press at Queen's Park.

Mrs. Campbell: That's right.

Mr. Martel: You Tory cabinet ministers have that great phalanx of bloody PR men who write out press releases, and the press picks them up and never looks at them. They just write what's there constantly past the question period. After the question period, 99 per cent of the press have gone. But they've got their little treasured press release and their little story for today and they're gone. The same bloody money shows up time after time after time. You get great press—and that's three year's running—on the same bloody money.

Mrs. Campbell: It's \$15 million.

Mr. Martel: The same \$15 million will run from June, 1974, to 1977. Can you imagine stretching \$15 million on all the press releases you have got since then? Every day nursery gets another press release. It's the same bloody money, and you people get headlines on what the hell you're doing for day nurseries. Who are you trying to kid? The only people you've got fooled is the press.

Mrs. Campbell: They in turn fool the public.

Mr. Martel: The mass media fool the people out there at large, because they won't take the time to put all these crazy press releases together.

Mr. Chairman: Do you really think that?

Mr. Martel: I am convinced, and you think so too.

Mrs. Campbell: Yes, you both do.

Mr. Chairman: I'm not sure.

Mr. Martel: You would have to be obtuse not to.

Mr. R. S. Smith: If somebody blew up all those press machines in the basement, this government would collapse. Do you know that big one over in the Hepburn Block?

Mrs. Campbell: He hasn't answered your question. Do they have that money or not?

Mr. R. S. Smith: We have had no commitment for that money, for the \$4.3 million. That's what I want to know. What commitment do you have for that money?

Hon. Mr. Brunelle: We have committed ourselves to daycare expansion of close to \$15 million and we'll honour it.

Mr. Martel: Close to \$15 million.

Mr. R. S. Smith: Just like you committed yourselves last year for full expenditures on environmental centres. We're going to come to that later on.

Hon. Mr. Brunelle: Environmental centres?

Mr. R. S. Smith: Yes. We're going to come to that later on.

Hon. Mr. Brunelle: Oh, yes.

Mr. Martel: That was another disaster area.

Mr. R. S. Smith: We had a commitment and I asked about it by letter, which didn't turn up. You went halfway, as you do on everything else, just as you're doing here. You've gone two-thirds of the way but we're not sure of the other one-third.

Mr. Martel: I can understand why you want candidates like Joe Fabbro.

Mrs. Campbell: Why do you place this in these estimates? How can you legally do it for 1976-1977?

Mr. Martel: Crooked as a rattlesnake.

Mr. F. Laughren (Nickel Belt): He'd feel right at home.

Mr. Martel: Oh, sure, he'd fit right in the mould. Oh, sure he is. He's crooked enough.

Mrs. Campbell: That is a figure I want to know about.

Miss D. Crittenden (Deputy Minister): Are you speaking in the same area as the minister?

Mrs. Campbell: Yes, I am.

Miss Crittenden: Are you speaking about the \$4,345,567?

Mrs. Campbell: Yes.

Miss Crittenden: We have a Management Board memo authorizing us to spend \$15 million on the daycare expansion project.

Mrs. Campbell: When?

Mr. Martel: No. She never said that.

Mrs. Campbell: This is Management Board.

Miss Crittenden: Mrs. Campbell asked me under what authority. A Management Board memo authorized us to spend \$15 million on a daycare expansion project. We therefore are following established procedures of any approved capital construction the same way we would approve the \$4-million home for the aged that has a cash flow of over \$2 million or \$3 million. For instance, if a large home such as is in Toronto has a cash flow extending on it, we have to have the authority to make the initial authorization. We have the authority to authorize a \$15-million expansion programme. We have authorized and given commitments to various agencies in municipalities to the amount of approximately the \$15 million.

Mr. R. S. Smith: But you have no legislative authority to do that. You don't have authority because that's what this country's based on. If you people can't learn that within the ministry and if this government can't learn that, then the whole damn thing is going to fall apart because it has to come through the estimates before you have authority and this cannot go through the estimates for next year. And not only that—

Miss Crittenden: That isn't here, the estimates for next year.

Mrs. Campbell: It's here on this sheet.

Mr. R. S. Smith: But you have no legislative authority to do that.

Miss Crittenden: You asked to break down the \$15-million.

Mrs. Campbell: This is what we're saying.

Miss Crittenden: But what we're voting is \$10 million.

Mr. R. S. Smith: But that's what I'm saying. We're not voting that \$4 million.

Mr. Martel: No, that comes next year.

Miss Crittenden: You are only voting \$10 million.

Mr. R. S. Smith: That's right. So all that is is a political promise. That's no more nor anything less because it has no legislative authority and it's not going to get it this year, and I'm not going to bring the civil service into this. But for you people to talk about that without legislative authority, it's just usurping the Legislature.

If you want to do that, that's fine and that would be your responsibility. If your minister wants to do that, that's his responsibility. But

you have no authority for that money whatsoever, no matter what you want to say or think. If in fact, you think you have, then I think you should move to another country where we don't have legislatures and where they do things differently.

Mr. D. M. Deacon (York Centre): You are talking of authority over and above the \$10 million which is voted on.

Mr. R. S. Smith: That's right. You have authority for \$9,509,700 plus \$1 million if it passes tonight. But above that, you have no authority whatsoever. Anything else that you've got on here is just so much unauthorized money.

Mr. Martel: Or there.

Mr. R. S. Smith: And it may well not be there next year.

Mrs. Campbell: That's just it.

Mr. R. S. Smith: That's an affront to the Legislature, to have that kind of garbage put out in front of it. If we're not going to have the power to vote that kind of money, whether I sit on that side or whether I sit on this side doesn't really matter. That's what this business is all about.

Mr. Martel: Aren't you really making the books work? Weren't you really trying to prove to the committee you were making it work to \$15 million, and that's why this afterthought figure was thrown in? This \$4,345,000, because that's what it is.

Mrs. Campbell: That's right. That's all it is.

Mr. Martel: For two reasons. I say it: (a) because you haven't got the authority and (b) the promise from the ministry was \$10 million capital.

Mrs. Campbell: Then if you do come out next year with this figure everybody will say, "Oh, look at that, look at that, consistent programme," and the press will write it all up and it will be the same money that we voted on last year.

Mr. Martel: Yes. Three times.

Mrs. Campbell: And it's dishonest.

Mr. Chairman: I think the committee members may have a point if this \$4,345,000 was in this year's estimates but it isn't.

Mr. Martel: But you would agree, Mr. Chairman, they're trying to hoodwink us by saying it's there?

Mr. Chairman: No, they are not trying to say it's there.

Mr. Martel: They are trying to say it's there. They've written it down.

Mr. R. S. Smith: I have a sheet provided to me by the ministry which says it's there.

Hon. Mr. Brunelle: They have written it down for 1976-1977.

Mr. Chairman: It is a proposal for next year.

Mr. Martel: No, no, it is an approval. The deputy minister just said—

Mrs. Campbell: No, we've just been told these have been approved.

Mr. Martel: No, it's been approved already.

Mr. Chairman: No, it is not approved and there is no way that it can be approved.

Mrs. Campbell: It has been.

Mr. Martel: Oh, but it is. The minister said himself, commitments that they will honour.

Mr. R. S. Smith: Every one of these dollars has been committed to municipalities and we've been told that at least four times tonight.

Mr. Martel: That's right.

Mr. R. S. Smith: You have committed that money to municipalities without any type of legislative approval.

Mrs. Campbell: And charities.

Mr. R. S. Smith: You've told us that at least four times today, that you don't have any 100 per cent dollars left, they are all committed, even the ones for next year. You've told me that when I asked you. So what you're doing is committing dollars for which you have no legislative approval. The fact of the matter is you're operating outside the Legislature.

Mrs. Campbell: What's new about that?

Mr. R. S. Smith: Nothing, except that it's gross indecency to say the least, insofar as the parliamentary process is concerned.

Mr. Chairman: It would depend entirely whether there was a letter of approval or a letter of intent.

Mr. R. S. Smith: Well, how do these municipalities have their letter of intent from the ministry insofar as that \$4,345,000 is concerned? What insurance do they have that they're going to have that money?

Hon. Mr. Brunelle: We have assured those municipalities that their daycare centres have been approved. As I've indicated earlier, it's very difficult. These commitments will be honoured.

Mr. R. S. Smith: By whom?

Hon. Mr. Brunelle: By ourselves. By our ministry.

Mr. R. S. Smith: What if your ministry's not there?

Mrs. Campbell: And if you're not there next year you may have to dig deep in your own pocket for that \$4 million.

Mr. R. S. Smith: My friends, who do you think you people are? You're not God, you know. You don't rule by the divine right of kings.

Mrs. Campbell: Oh, don't tell them that. That's coming as a surprise.

Mr. R. S. Smith: There's nothing written in stone that you're going to be there.

Mr. Martel: Would you give us a full accounting of that \$4 million? Of the various projects and how much each is granted?

Hon. Mr. Brunelle: We can give you a list of all the municipalities that have been approved.

Mr. Martel: I want to know which municipalities get the \$9.5 million; tabulate the amount. At the same time I want to know those municipalities who are going to get the \$4,345,000.

Hon. Mr. Brunelle: Mr. Chairman, we can give the hon. member a list of all the municipalities that have been approved under this \$14.9 million, and the amounts of each daycare centre.

Mr. Martel: I want the list of those projects for the next fiscal year, and how much each has been guaranteed, coming to a total of \$4,345,567.

Hon. Mr. Brunelle: We will give you, as I indicated earlier, a list of all the municipalities that have been funded at 100 per cent.

Mr. Martel: No, no. Just break down that \$4 million to me.

Mrs. Campbell: You won't get it.

Mr. Martel: That 1976 commitment, break it down, right down to the last dollar, so I can write the communities involved and say,

"Gentlemen, have you been approved this much money?"

Oh, you shake your head, Mr. Minister.

Mr. R. S. Smith: I suggest, Mr. Minister, that the least you can do is write to those municipalities and explain your position.

Hon. Mr. Brunelle: We have no intention of writing. We've written to them that we've approved their project at 100 per cent, and we will honour that commitment.

Mr. R. S. Smith: In that case, Mr. Chairman, I would vote that this committee instruct the ministry to write to the municipalities and explain to them that the ministry does not have any legislative approval for these grants, and that next year, after the estimates are passed, they will then be able to come to an agreement with them, and that any agreement that is now in force is illegal.

Mr. Martel: Except if there's another plum in the pie for the election.

Mr. R. S. Smith: Unless you want to bring forward a supplementary estimate right now.

Mr. R. Haggerty (Welland South): That will be in the fall, late.

Mr. Martel: No, no. It would be in the election promises.

Mr. R. S. Smith: Meanwhile you're not only misleading us, but you're misleading them.

Hon. Mr. Brunelle: Mr. Chairman, Mr. Borczak has some additional information on this matter.

Mr. M. Borczak (Chairman, Board of Review): Mr. Chairman, on the projects, as was mentioned, there have been \$14,809,000 in approvals. Now we've got some dates projected as to when these projects are going to be completed, and as they move along, progress payments are made on them.

I've got some examples here. If we start at the top of the page, the second one down on the list is Brant county. At this time for that project we've projected some time in February, 1976. We, therefore, could not make a final payment—

Mr. Martel: No, that's okay. That one is okay, that one is in the fiscal year.

Mrs. Campbell: That's right.

Mr. Laughren: What have you got in 1976-1977?

Mr. Martel: It's 1976-1977—

Mr. Borczak: But the thing is that by the time we get in the legislation, they must have all their sales tax rebates, all the proper information documented.

Mrs. Campbell: That is another rip-off, that sales tax rebate.

Mr. Laughren: 1976-1977.

Mr. Borczak: The thing is that we will not be paying those accounts, I would think, until April, May or June, 1976, which would carry us into the next year.

Mrs. Campbell: That's 1976-1977.

Mr. Borczak: We have, for example, the county of Essex, where we have a \$250,000 project that we project at this time will be finished some time in March.

Mr. Martel: What are they doing, putting on one board a day?

Mr. R. S. Smith: Could I ask a question? You have an agreement with them, based on the estimated amount of money that's included under that \$9,507,000, and that's fine. Nobody's arguing with that at all. What I'm arguing with you—not you particularly—is—

Mr. Martel: Let the minister paddle his own canoe. We'll bail him out.

Mr. R. S. Smith: My argument with the ministry is, what agreements do you have that are taking place in 1976 and 1977? Those are the agreements that I want to know about.

Mr. Borczak: Mr. Chairman, if a project is 90 or 100 per cent complete at the end of March, it would be virtually impossible for us to make a final payment to them at that time, and that would carry over into the next year. All I can say is that these are only projected dates. There could be strikes. There could be many problems so that the projects would not finish by March.

Mr. Martel: If the dog hadn't stopped for a rest, he would have caught the rabbit too.

Mr. R. S. Smith: What is the latest starting date you have on the projects that you have come to an agreement on?

Mr. Borczak: May I have some clarification on that?

Mr. R. S. Smith: What is the latest starting date of a project which you have come to an agreement on with a municipality?

Mr. Borczak: The date the construction would begin? For example, the city of Windsor

will be starting, we expect, some time in October on construction.

Mr. R. S. Smith: Is that the latest?

Mr. Borczak: We have got Ottawa starting at the end of October.

Mr. Martel: I told you they cooked up that figure; that \$4 million is just cooked up.

Mr. Borczak: That is probably the latest one, sir.

Mr. Martel: The \$4 million is cooked.

Mr. R. S. Smith: There is no way those payments are ever going to be made within this fiscal year.

Mr. Borczak: That is the projected date of construction. We have dates of approval, etc., if you would like those.

Mr. Haggerty: The member for Nipissing may find out that they have nothing to spend the \$9 million on.

Mr. R. S. Smith: Yes, I'd have to start all over again.

Mr. Martel: You might get four or five years out of this.

Mr. R. S. Smith: I just ask you, as the financial adviser for this ministry—

Mrs. Campbell: He is doing well.

Mr. R. S. Smith: Do you believe that you can commit yourself to expenditures that have not even yet appeared in the estimates?

Mr. Borczak: Mr. Chairman, I can just reiterate that the minister has committed \$14,809,000 in daycare centres—

Mr. R. S. Smith: Which minister?

Mr. Borczak: The Minister of Community and Social Services—and there are those commitments that have been made. I can give you every assurance of that. The thing is that some of the projects will carry on into early 1976.

The thing is, Mr. Chairman, it is virtually impossible just to go out and start the construction projects today.

Mr. R. S. Smith: But it is not impossible to include the amounts—

Mrs. Campbell: It's almost a year later.

Mr. R. S. Smith: for which you are committed in the estimates today, which would be the honest way to do it and the reasonable way to do it.

There is no other way you can do it and

be legislatively correct. You can't be within the regulations of the Legislature if you are going to commit the next session of the Legislature. There is no way you can do that. That's what the parliamentary process is all about, you know. If not, we might as well leave and let you guys run the whole show.

Of course that is the mockery of Parliament that has been going on for four years since the Premier (Mr. Davis) took over. Parliament is not even taken into consideration, and this is only just one more example of the mockery of democracy that has taken place in this province.

Mr. Martel: I have another one in a few minutes.

Mr. Deacon: Does the minister not really think that that should be added to these estimates at least?

Mr. Chairman: I would suggest to you that it would have to be a supplementary estimate presented to the House to cover that.

Mr. Deacon: Right. If you have written a letter permitting it, this is the only way to do it. There is no other way.

Mr. Chairman: We are only dealing here with what is before us.

Mr. Deacon: Right.

Mr. R. S. Smith: We are also dealing here with the administration of the programme.

Mr. Chairman: Oh, yes. I agree with you, Mr. Smith, but we are dealing here with the figure that is before us in the estimates. It's presented here. The figure of \$4 million is the figure that the ministry, if they want approval this year for that sum, if they have committed themselves, they would have to present this in supplementary estimates.

Mr. Deacon: Right.

Mr. Martel: Surely, Mr. Chairman, they don't have the right to make that commitment to the municipalities until those moneys are approved?

Mr. Chairman: I am presuming that we are dealing here with the estimates that are before us.

Mr. Martel: Could I ask the chairman a question? Surely the ministry doesn't have the right to grant approvals to communities without first having the moneys approved before the Legislature?

Mr. Chairman: They have a Treasury Board order, as they say, but I am assuming right here that we do not have any way that we can deal in this committee with a Treasury Board order. The Treasury Board order would, in my opinion, have to be debated in the House.

Mr. Martel: I would like to see the Treasury Board order, Mr. Chairman, because I well recall the policy minister's statement last year, and her statements to the press, that \$10 million was for capital and \$5 million was for maintenance.

Mr. Chairman: The Treasury Board order would have to deal with the matter.

Mr. Martel: That's not what I'm saying.

Mr. Chairman: Perhaps within this year, or if they extend it, they would have to do it by supplementary estimates, which we don't have before us at this moment.

Mr. Martel: That is what I'm saying. I certainly would like to see the Treasury Board order.

Mr. R. S. Smith: We can let this go tonight. We'll deal with it tomorrow.

Mr. Martel: Yes, tomorrow.

Mr. Chairman: You can argue all you like about the point but, sooner or later, you're going to have to put the point from this committee to the House. The ministry is going to have to deal with it in the House. In this estimates committee, as I see it, we're dealing with those matters which are before us. That matter is not before us. It's up before the administration.

Mrs. Campbell: But, Mr. Chairman, the matter is before us.

Mr. Chairman: If the minister has made a written commitment on behalf of the government, the government will have to cover it, as I see it.

Mrs. Campbell: Yes, but that's what brings it before us. They have committed this additional money.

Mr. Martel: Which they haven't even asked for.

Mrs. Campbell: Which they haven't asked for, and for which there is no authorization.

Mr. Chairman: I suggest the minister will have to answer on that. He'll have to apply for it.

Mr. R. S. Smith: What type of agreements have you entered into with municipalities insofar as these programmes are concerned?

Hon. Mr. Brunelle: What type of agreements? We have approved 110 daycare centres.

Mr. R. S. Smith: Pardon?

Hon. Mr. Brunelle: We have approved 110 daycare centres. It has been indicated this amount of \$10,509,700 would look after our needs until March 31. As Mr. Basich has indicated, many of these daycare centres will not be completed, or the final payments will not be made, until the following fiscal year.

Mrs. Campbell: What kind of agreements have you entered into with those who are going to look to the \$4,345,000? Who are they, and what commitments have you made to them?

Hon. Mr. Brunelle: As I said earlier, we have told 110 that we would be funding them 100 per cent.

Mr. R. S. Smith: Are many of those going to spread into the next fiscal year for which you have not even asked the Legislature to vote you money? You must have provided those municipalities with some type of letter of intent of payment for them to get the interim financing, either through the banks, or other types of short-term borrowings. In effect, you've committed the province to payments for which you don't have legislative approval.

Hon. Mr. Brunelle: We have sufficient money to look after our commitments until March 31, 1976.

Mr. R. S. Smith: What if the Legislature next year votes down your \$4,345,000? What happens then to those municipalities that have gone and voted money on a 100 per cent grant on a letter of intent from you?

Mr. Martel: You can take it out of income maintenance.

Hon. Mr. Brunelle: This will be honoured. There is no problem there.

Mrs. Campbell: But, Mr. Chairman, you can't say that.

Mr. R. S. Smith: You can't answer that way and be financially responsible.

Mrs. Campbell: No, you cannot.

Mr. R. S. Smith: You are not being responsible.

Mr. Martel: You are being fiscally irresponsible now.

Mr. Chairman: As I see it, Mrs. Campbell, the ministry has no authority. The matter has to be dealt with in the House and I would suggest to you the minister is going to have to ask for a supplementary estimate to cover his commitment.

Mrs. Campbell: Mr. Chairman, I think we're entitled to know, in the light of what has been disclosed here, who has been given guarantee of any part of this \$4 million. What kind of guarantee have they been given? I think we are entitled, as members of this Legislature, to know that, because in my view it is illegal. I don't think the chairman disagrees with me.

Mr. Chairman: I don't see it as being illegal. I would see it as being illegal at the end of March if it hasn't been dealt with by the House.

Mrs. Campbell: All right.

Mr. Chairman: If a commitment has been made there must be a counteraction taken by the government. There must be a presentation to the House, covering that part.

Mrs. Campbell: We are told that a commitment has been made to municipalities and charities which is out of this money which is not before us, as you say, and which is to be expended in 1976-1977. We are entitled to know who these are now. There is no question about that.

Mr. Chairman: I agree.

Mrs. Campbell: And I want those answers.

Mr. Martel: Could I ask the chairman if he will undertake to get for the committee from legislative counsel a legal interpretation of whether the ministry is in a position to do what it's now attempting to do, and report back to the committee tomorrow afternoon.

Mr. Chairman: Mr. Martel I have to suggest to you the committee has authority to deal with what's before it from the House. The matter of the \$4,345,467 must be dealt with in the House.

Mr. Martel: I am aware of that. It's not in this estimate.

Mrs. Campbell: But we are just about to get the identity which you have said we are entitled to have, and I want that.

Mr. Chairman: I think I would agree that you have the authority to request the introduc-

tion of projects that are guaranteed. Mr. Borczak.

Mr. Borczak: Mr. Chairman: I can go through the list of projects here that we have and give you the estimated dates of completion on them, if you wish.

Mrs. Campbell: If you do that you're going to have to attach a dollar figure if we are to follow it. But do you mean to say that you have no idea who comes within this category?

Mr. Borczak: We can indicate to you, for example, Mr. Chairman, that the city of Kingston, the first project on the list, is a daycare centre of 63 places with a total cost of \$270,000, and a project that at this time is estimated to be completed sometime during the month of October. The next project is—

Mr. Martel: Of this year?

Mr. Borczak: Correct, sir.

Mr. Martel: But that isn't the one we are interested in.

Mrs. Campbell: No.

Mr. Borczak: But the thing is, Mr. Chairman, these projects could carry on into January or February, they could carry on into June of next year. We just don't know what is going to happen.

Mr. Martel: But the point I am raising is that the ministry has committed \$4,345,000. It did that on something. Or is it, as I suspect, a figure drawn out of the hat to make \$15 million? You have got the commitment for \$9.5 million. Okay, I want the commitment for \$4.3. That what I want.

Mrs. Campbell: Let's get at it this way. If we get it maybe we'll find that they haven't got the commitment for the \$9.5 million. So maybe we'd better do it this way and at least get it.

Mr. Borczak: We have the county of Brant where they—

Mr. Martel: Pardon me, Mr. Chairman. I think it would be easier if we dealt directly with 1976-1977. That came from somewhere.

Mr. Chairman: Mr. Martel, the hon. gentleman is telling you what makes up the \$9.5 million which we have authority to deal with here.

Mr. Martel: I don't want to know that.

Mr. Chairman: You are asking for the information on the \$4,345,000.

Mr. Martel: That's right. If he hasn't got that, then tell us in pretty frank terms. Let's not play games. If he hasn't got that, fine, then say so.

Mr. Borczak: Mr. Chairman, I certainly cannot tell you the \$4-million figure. No, that is just based on projections and to bring it up to the \$15 million.

Mr. Martel: Right.

Mrs. Campbell: Yes, exactly.

Mr. Martel: That is exactly what I said when you started almost an hour ago. You really haven't got this money committed except that you are going to spend it somewhere.

Mr. R. S. Smith: Except that I was told by the minister and the deputy minister that all those dollars are committed.

Mrs. Campbell: That's right.

Mr. Borczak: But they are committed, Mr. Chairman.

Mr. Martel: But not to projects, just committed some day.

Mr. R. S. Smith: It is either/or. Take your choice.

Mr. Chairman: We are dealing with \$9,509,700 that is expected to be completed in this estimate.

Mr. Martel: Right, and the other one is a scratch-pad figure.

Mr. Chairman: The \$4,345,567 is an estimated figure that will carry over in various projects, as I understand it.

Mr. Martel: No.

Mrs. Campbell: No. It is a committed figure.

Mr. R. S. Smith: It is a committed figure.

Mr. Chairman: It is a committed figure, but it's a carryover of those projects, past March 1.

Mr. Martel: Why don't we get honest and just say you haven't got it?

Mrs. Campbell: Could we get this list in writing, so that we can study it?

Mr. Chairman: The hon. gentleman has tried to give it to you.

Mrs. Campbell: No, I think it has to be in writing because we can't do it any other way.

Mr. Martel: Sorry, my computer is not working tonight.

Mr. R. S. Smith: Could I just have the total of that list?

Mrs. Campbell: Can we get that now or get it for tomorrow?

Hon. Mr. Brunelle: We can get you a list of those municipalities that we have.

Mr. Borczak: Yes. I am sorry, Mr. Chairman. The total of the list is \$14,809,561 for 110 projects, 3,630 places.

Mr. R. S. Smith: That's all committed?

Mr. Borczak: Correct.

Mrs. Campbell: Now, if we could get a breakdown of that in writing so that we can study it I think we're in a better position in attempting to know what we're talking about. Can we get that for tomorrow, Mr. Minister?

Hon. Mr. Brunelle: Yes, certainly, Mr. Chairman, we will give the members a list of those municipalities.

Mrs. Campbell: And the starting and completion dates and the figures attached to each project.

Hon. Mr. Brunelle: The projected costs, yes. As far as completion goes, it is rather difficult.

Mrs. Campbell: All right. If you have an estimate of the completion dates. Maybe we can get it for tomorrow morning so we could have some chance to look at it before we come back to these estimates at 3 o'clock tomorrow.

Mr. R. S. Smith: Also, I think we should have the date and motion of Treasury Board approval.

Mrs. Campbell: Yes.

Hon. Mr. Brunelle: We'll try. It may not be possible to have that information for you tomorrow morning but we'll have it for you tomorrow afternoon.

Mrs. Campbell: All right. That's the Treasury Board approval as well?

Mr. R. S. Smith: We're finished with that then for a little while.

Mrs. Campbell: It means that this vote won't go through until we get it.

Mr. R. S. Smith: I guess the other questions I had would have to be referred back to the first part of the vote which we really didn't cover. It's in regard to the children's societies. I won't touch on the preventive services. I

presume that will get into day care except for that one item we just left.

Mrs. Campbell: That's a pretty big item.

Mr. R. S. Smith: Is that right, Mr. Chairman?

Mr. Laughren: I think, Mr. Chairman, there were going to be some lists provided to us in terms of geographical breakdown of the number of places in day care in Metro versus other parts of the province.

Mr. J. G. Anderson (Assistant Deputy Minister, Programme Delivery): Mr. Chairman, as far as Metro Toronto is concerned I believe there are just over 12,000 places.

Mr. Laughren: Is that out of the 46 shown?

Mr. Anderson: Out of the 46 total shown. Of those, between 5,100 and 5,200 are subsidized places. This is made up of 2,200 within the municipal structure and approximately 3,000 purchased places in private daycare centres. It's roughly 132 daycare centres. I think there is somewhere around 600 to 700 in private home day care.

The municipality has indicated that over and above its construction programme for this year it will be moving into another 600 places of purchased care in after-school projects within the schools themselves so that these will not necessarily involve any capital construction or even renovations. They will simply be services within a portion of the school which is licensed for daycare purposes. So they hope to be at the 6,500-place subsidized mark by the end of 1975.

Mr. Laughren: Is that out of the 11,000 subsidized in total now?

Mr. Anderson: No, 5,200 out of roughly 12,000 places. So it's just under 50 per cent.

Mr. Martel: It's quite a bit under.

Mrs. Campbell: I had asked for a list of where the new ones were going and I'm to get that.

Mr. Anderson: That list, Mrs. Campbell, would be part of the information which is being provided to you in all of the approvals tomorrow.

Mrs. Campbell: That's fine.

Mr. Laughren: How many subsidized places are there in all of Ontario? Is it not 12,000?

Mr. Martel: It's 15,000. I wouldn't lead you astray. I'm not like the ministry.

Mr. Anderson: Out of 46.

Mr. Martel: Fifteen thousand are subsidized. There it is there: 15,311, that's subsidies. What's the third?

Mr. Anderson: I believe that is correct. Our figures—

Mr. Martel: You can't go by the blue book. Page 41.

Mr. Laughren: Depends on the book, does it?

Mr. Anderson: Mr. Macdonald had the book. Because municipalities work on a calendar year rather than our fiscal year, the figure was roughly 13,100 as of December 31.

Mr. Martel: Maybe you are misleading us, then, in this book.

Mr. Anderson: No, I think this is brought up to March 31.

Mr. Martel: Obviously they can't trust anyone.

Mr. Anderson: Has he got the right book, Mr. Chairman?

Mr. Martel: I got this from the deputy minister just the other day, Heaven forbid.

Mr. Anderson: There are so many new arrangements—

Mr. Martel: You are right.

Mr. Anderson:—that the figures become outdated very quickly.

Mr. Martel: The deputy minister is right. She said what you get in March, you can't believe in April. But when what you get in May, you can't believe in May, there's something wrong.

Mr. Laughren: I don't want to be unduly parochial, Mr. Chairman, but it has occurred to me that if one were to divide the province into geographic areas it might be rather startling because of the number of subsidized places that are in the southern part of the province versus the northern part, on a per capita basis. Do you do that?

Mr. Anderson: On a per capita basis the figures for Metro Toronto showed approximately 25 per cent of the daycare places. But on the basis of subsidization, they then jump higher. This means not too much except the attitude of the local communities toward subsidization. I would presume that if many people who are now paying full costs were to apply to the municipality they could receive at least partial subsidization under the needs testing.

Mr. Laughren: But it is not true as well that a lot of the municipalities in northern Ontario are unable to absorb their portion of the costs. We talked about that earlier, and I think that that's something that is often overlooked in these cost-sharing programmes.

Mr. Anderson: Yes, Mr. Chairman, that's true. As long as the municipality has the final determination as to whether or not they want to put their money into day care as opposed to another programme, then that will apply across the province.

Mr. Laughren: You don't have that geographic breakdown?

Mr. J. K. Macdonald (Director, Children's Services): Not by subsidized children, no.

Mr. Laughren: Do you have it just by total places?

Mr. J. K. Macdonald: Yes.

Mr. Laughren: What is that?

Mr. J. K. Macdonald: We don't have the number of children subsidized geographically. We don't have any breakdown of them.

Mr. Laughren: No, I know. Not subsidized, but total places.

Mr. J. K. Macdonald: Total places geographically?

Mr. Laughren: Yes. I don't want to hold up the committee, Mr. Chairman. If they could get me that information, I'd be satisfied.

Hon. Mr. Brunelle: Yes, we'd be pleased, Mr. Chairman, to have that information.

Mr. Chairman: Mr. Smith, you wanted to talk about Children's Aid.

Mr. R. S. Smith: Yes, I just have a few short questions on Children's Aid rating. Because of the change in the Act a few weeks ago, and the funding part particularly, I understand there are some societies in the province that were not benefited by that change—in other words, who are losing. Is that factual? Would the minister indicate to me what is going to be done in those cases?

Hon. Mr. Brunelle: Yes, that is correct, Mr. Chairman. The great majority of municipalities will benefit, will pay less for their costs of care of children's aid societies. But there are a certain number of municipalities—I guess probably more in northern Ontario—and that is why we have a cushioning formula over a three-year period, whereby the first year we will pay 75

per cent, the second year 50 per cent and the third year 25 per cent to cushion the amounts. By the end of the fourth year, hopefully, the whole province will be on an equalized assessment and no municipality will be paying proportionately more than what it is paying now.

Mr. R. S. Smith: And that formula will keep them at that base through that four-year period?

Hon. Mr. Brunelle: That's right.

Mr. R. S. Smith: As I understand it, you are moving to equalize assessment across the province next year.

Mrs. Campbell: Don't hold your breath.

Hon. Mr. Brunelle: I think it will take maybe two or three years before the entire province is covered.

Mr. R. S. Smith: Those municipalities in northern Ontario don't have to worry. It is not going to cost them more money than it has in the past, although they may not benefit by the change.

Hon. Mr. Brunelle: The cost to the province will be about \$8 million in extra additional costs, so the great majority of municipalities will benefit. As I said, there are some—not too many—who will be adversely affected and that is why we introduced this three-year cushioning formula.

Mr. R. S. Smith: Does the three-year cushioning formula provide just an equalization as to where they were before or does it provide them with the same benefit as the rest of the province will be gaining through the change? In other words, is it to their benefit to have the Act changed and the cushioning formula brought in, in the same way as it is to the benefit of the other municipalities, or are they just going to stay equal to what they were before?

Hon. Mr. Brunelle: The member will appreciate that it is very difficult to arrive at a formula. The formula that was introduced was felt to be beneficial. I think the member knows the changes. Before we were paying 100 per cent in the case of children of unmarried mothers. Now everything is on an 80 per cent basis except native people and unorganized areas. There are administrative advantages as well as other advantages on this new formula.

Mr. R. S. Smith: In those places where there are native people or unorganized municipalities, you will maintain—

Hon. Mr. Brunelle: We will continue to pay 100 per cent of the cost in the case of native children.

Mr. R. S. Smith: I see. What is your cushioning formula then insofar as those municipalities are concerned?

Hon. Mr. Brunelle: The cushioning formula also applies to the other costs in those areas. We will continue to pay 100 per cent of the costs for native children and 100 per cent in unorganized areas. Then we will pay 80 per cent of the other costs.

Mr. R. S. Smith: Of the other costs, to the society, even for the unorganized areas?

Hon. Mr. Brunelle: Yes, 80 per cent.

Mr. R. S. Smith: The other municipalities in that area will be expected to pick up the 20 per cent for those unorganized areas?

Hon. Mr. Brunelle: We pay 100 per cent in unorganized areas. I guess you are referring specifically to the district of Nipissing.

Mr. R. S. Smith: Yes, we have about 12 unorganized areas that have any numbers of people.

Hon. Mr. Brunelle: Do they form part of the Nipissing district welfare board?

Mr. R. S. Smith: No, they are serviced for GWA directly by your people.

Hon. Mr. Brunelle: In those unorganized areas we will continue to pay 100 per cent of the cost.

Mr. R. S. Smith: For all the programmes?

Hon. Mr. Brunelle: Yes, this is my understanding, though I can be corrected. In unorganized areas we pay 100 per cent.

Mr. R. S. Smith: The only losers are the ones that really belong to the district board then, or the only ones who could be losers.

Mrs. Campbell: And the organized municipalities in the north.

Mr. R. S. Smith: Yes, the organized ones. The other thing I wanted to question gets into the matter of provision of supplementary services and, I suppose, the whole question that will be discussed at the meetings tomorrow. In the area of protection and prevention, up to now because of the description in the Act, has this militated against some areas and not so much against others? In other words have there been more funds going into some areas represented by children's aid societies for this type of work

than have been going into others based on per capita or whatever criteria you might use for the funding of that type of service?

Hon. Mr. Brunelle: Mr. Chairman, I am not too clear on the question.

Mr. R. S. Smith: How do you base the funding for that type of service, under the section of the Act described for preventative services?

Mr. J. K. Macdonald: Mr. Chairman, the children's aid budgets are negotiated on an annual basis and they are comprised of three basic sections: One, is the cost of services for children in care. Another is a section called "The Costs of other Specific Services." A third section is the cost of administration services.

Included in the second and third areas, among other things, are staffing and associated expenses. Most of what are described in the Act as prevention services, and the primary cost related to those, are staffing costs. What we do in dealing with the societies is encourage them to introduce programmes through their staffing plans and their assignment of workload which is prevention-oriented.

Mr. R. S. Smith: So you have a different agreement with each of the societies?

Mr. J. K. Macdonald: Yes. It is based on the individual society's proposal to us in terms of what it wants to plan and the distribution of its services.

Mr. R. S. Smith: And that in turn is based on its ability to get that percentage from the municipality to cover the balance?

Mr. J. K. Macdonald: I think, yes. When societies plan their budgets, they have to be sensitive to what the municipality is going to do.

Mr. R. S. Smith: How successful they will be.

Mr. J. K. Macdonald: Yes.

Mr. R. S. Smith: The only other question I have is in the area of services for adults; and prevention, care and maintenance of adults in the home setting. There are so many of these things now that I can't differentiate between them. What are yours doing and what is somebody else doing? What type of people are you looking after, or is this ministry under this vote looking after disturbed people in terms of home settings for adults?

Mr. J. K. Macdonald: The vote we are talking about covers only services to children.

Hon. Mr. Brunelle: Mr. Chairman, is the hon. member on item two, services for adults?

Mr. R. S. Smith: Yes, services for adults.

Hon. Mr. Brunelle: And what is your question on that?

Mr. R. S. Smith: I would like a description of what types of homes are covered under this vote. Do you have six or eight in a home or do you have 15 or 16 as you were talking about earlier? What I am trying to do is complete my remarks on this whole vote and get it over with, except for when we get back to whatever we get back to tomorrow.

Hon. Mr. Brunelle: I don't know if I am answering the hon. member's question, but the services for adults are mainly homes for the aged—municipal charitable homes.

Mr. R. S. Smith: For example, what are subsidies and grants for residential programmes, workshops and work activity projects?

Hon. Mr. Brunelle: The sheltered workshop—that is under the next vote, mental retardation facilities.

Mr. R. S. Smith: It's under 2603.

Hon. Mr. Brunelle: Yes.

Mr. R. S. Smith: Which is the social and institutional services programme.

Hon. Mr. Brunelle: I am trying to find the right page.

Mr. R. S. Smith: It's not under mental retardation. Workshops and work activity projects, capital and operating subsidies and grants for residential programmes, HS27, under services for adults.

Hon. Mr. Brunelle: Most of these, Mr. Chairman, are, as I mentioned earlier, programmes for the elderly persons, senior citizens, and the various programmes under the Elderly Persons Centres Act. Your specific question, again, is what?

Mr. R. S. Smith: I am questioning the second part under services for adults, subsidies and grants for residential programmes, workshops, work activity projects, capital, operating. Are these senior citizens or are they emotionally disturbed people?

Mr. Martel: The \$84 million.

Mr. Chairman: Mr. Smith is talking about roughly \$15 million capital and operating capital—\$15,600,000.

Hon. Mr. Brunelle: On page 49 in the book that you have—

Mr. E. P. Morningstar (Welland): The blue book?

Hon. Mr. Brunelle: The blue book, yes. There is a breakdown of that \$126,290,500, and there is \$11,348,100 for vocational rehabilitation training allowances and expenses, and \$898,500 for payments and purchase of service arrangements for rehabilitative services.

Mr. R. S. Smith: Let's start at the top on page 49. Let's start right at the top of that square.

Hon. Mr. Brunelle: Yes.

Mr. R. S. Smith: Okay, what is the \$11 million for vocational rehabilitation training allowances and expenses? Is this for the people who are involved in vocational retraining within your ministry offices at the regional and district levels?

Hon. Mr. Brunelle: Yes, these are vocational rehabilitation training allowances under vocational rehabilitation.

Mr. R. S. Smith: And do the allowances that are made available cover those people you are trying to rehabilitate as well as the administrative costs of operating that programme within the ministry?

Hon. Mr. Brunelle: Mr. Peter Crichton is the director of our rehabilitation programme. Mr. Crichton, would you enlarge on this?

Mr. P. Crichton (Director, Rehabilitation): Yes, Mr. Brunelle. The \$11,348,100 refers to, as it says, training allowances and expenses. That relates to tuition fees involved in training institutions, community colleges and universities, as well as maintenance allowances paid to individuals while they're in training or in assessment and that kind of thing.

Mr. R. S. Smith: How big a staff do you have now across the province insofar as vocational rehabilitation is concerned?

Mr. Crichton: Our present complement now stands at 208. That includes both counselling and clerical staff.

Mr. R. S. Smith: Counselling specifically; how many are in each district office? You have 19 districts.

Mr. Crichton: At the moment we have 136 professional staff on line. That's spread out between the 20 district offices in the ministry.

Mr. R. S. Smith: That's an average of almost seven per district office?

Mr. Crichton: Yes, but it varies appreciably depending on the size of the office.

Mr. R. S. Smith: But it is about 500 per cent or 600 per cent more than you had about two or three years ago; is that right?

Mr. Crichton: In 1973-1974 we had 114 in that category.

Mr. R. S. Smith: In the early Seventies you didn't have too many. For example, to be parochial, how many are now in the North Bay district office where we used to have one or two?

Mr. Crichton: We have four.

Mr. R. S. Smith: What size population does that district office serve?

Mr. Crichton: I don't have the population figures for that particular area. I can get them for you. At the moment we have three counselling staff, one supervisor and one clerical, for a total of five; four professional staff and one clerical. I don't have the population figure. I can get it for you.

Mr. R. S. Smith: Our major complaint used to be that we used to have about two people up there. All they did was travel from one person to the other. They never did rehabilitate anybody because they spent most of their time travelling. I know the situation has improved because the people are working more closely with the people in my area so obviously there are more people. What I'm worried about is that there is inequity of spread of these professional people across the province.

Mr. Martel: Not really—I hate to interject—but not really. When you talk about equity you have to start looking at what the individual caseload per worker is. I suspect the number of cases per person in the Sudbury area would probably be in the neighbourhood of 150 to 175. What is it per average worker in Metro Toronto? The case load for each rehabilitation officer in Metro Toronto is approximately what?

Mr. Crichton: I could only give you a rough figure.

Mr. Martel: Okay, ball park figures.

Mr. Crichton: A rough figure on that would run probably about 40 per worker.

Mr. Martel: Right. In northern Ontario and the Sudbury area—and nobody's going to give me the gears because I know the figures—what is it? Is it 150, roughly?

Mr. Crichton: I'd have to calculate it.

Mr. Martel: Ball park figures.

Mr. Crichton: I can't give you that.

Mr. Martel: No? Well, I know it you see. I happen to have checked it out.

Mr. R. S. Smith: Would you mind telling me what it is in the North Bay district?

Mr. Martel: It's over double, easily. Probably triple.

Mr. Chairman: We will allow the minister to answer.

Mr. Martel: I intend to pursue it.

Mr. Crichton: At the moment it is 255 for four.

Mr. Martel: It's four if you include Peter Samborski. He's in charge, is he not?

Mr. Crichton: Yes, he's the supervisor.

Mr. Martel: Right. So for a case worker, you can divide that by three. We're talking 95 to 100 cases roughly?

Mr. Crichton: Yes, we have three.

Mr. Martel: And you're from the north, Mr. Minister. It's a disgrace. I know that Mr. Samborski runs all the way up to Kirkland Lake at times. What area does Mr. Samborski cover? How big is Mr. Samborski's territory? Timmins over to Kirkland Lake?

Mr. Crichton: At the moment Mr. Samborski is covering the Sudbury district office as well as the Kirkland Lake district office, on an interim basis.

Mr. Martel: Yes. It has been interim for almost a year though.

Mr. Crichton: That's correct. We've had extreme difficulty in the Kirkland area in recruiting qualified staff.

Mr. Martel: With the member for Timiskaming (Mr. Havrot) around I wouldn't be surprised at all.

Mr. Chairman: I think that was uncalled for, Mr. Martel. You're not free to make comments like that about a member.

Mr. R. S. Smith: What about the North Bay area?

Mr. Martel: I will come back to those figures though, Mr. Minister.

You are from the north. And it's over double. Over double. That's a disgrace. I want to tell you what makes it even worse than the situation Mr. Minister is the fact that there are less jobs to rehabilitate them for. So it makes it that much more difficult for those workers in

northern Ontario. And yet they've got over double—plus distance that they don't have in Metro Toronto. The situation is sick.

Mr. Crichton: The total case load in North Bay is 214.

Mr. R. S. Smith: We're worse off than they are.

Mr. Martel: No, no.

Mr. Anderson: There are about four workers. About 55 per case.

Mr. R. S. Smith: No, no. Mr. Samborski is also the head of—

Mr. Crichton: It is the same ratio in North Bay. It's three to one. It's three counsellors and a supervisor.

Mr. Martel: The supervisor in the Sudbury area is also responsible for the Kirkland Lake area.

Mr. Crichton: On an interim basis.

Mr. Martel: Yes, but that interim basis has been stretching now for how long?

Mr. Crichton: Approximately a year.

Mr. Martel: Approximately a year.

Mr. R. S. Smith: In the North Bay district we have 200-and-what cases?

Mr. Crichton: You have 214 active cases, with three workers. In Sudbury you have 255 active cases and three workers.

Mr. R. S. Smith: So they have about 85 and we have about 70.

Mr. Crichton: Roughly, yes.

Mr. R. S. Smith: Good old Toronto has about 40.

Mr. Martel: Yes, with all the jobs and the less distance, you guys really look after Toronto well, don't you? It's a disgrace.

Mr. R. S. Smith: I'd like to ask the minister how he rationalizes this.

Hon. Mr. Brunelle: How do we rationalize this? As indicated, there is a problem in recruiting proper staff in the northern area.

Mr. Martel: That's nonsense. The people coming out of the various community colleges in the field of social work can't find jobs. Now that's crap. I can't put it any more bluntly than that, Mr. Minister. Pure and simple.

Mr. Chairman: Mr. Martel, I think you can use better language than that.

Mr. R. S. Smith: How many of the social workers who graduated from Porcupine College last year were hired by the ministry? How many of those social workers didn't find jobs?

Hon. Mr. Brunelle: We can get you those figures. For this type of work—it is a very specialized field—it takes a person with experience and qualifications.

Mr. R. S. Smith: And in-training in your own programme.

Hon. Mr. Brunelle: Pardon?

Mr. R. S. Smith: And some type of on-the-job in-training.

Hon. Mr. Brunelle: Yes.

Mr. R. S. Smith: But you're not going to get to that point unless you hire the people and then give them the on-the-job training they require.

I know what you're going to say—that when we come down to 70, we're a lot better off than we were some years ago. I don't take that away from you one bit. But when you say to me that Toronto has 40 on an average per worker and we have 70, then that really disturbs me because I know those people have to travel long distances to get from one case to the other. How many of those people are bilingual in the North Bay office?

Mr. Crichton: I cannot give you a figure on that now, Mr. Chairman. We can get that answer for you.

Mr. R. S. Smith: That's a pretty significant thing in that area. I think it's something that should be apparent right away. It's a significant thing because many of the people with whom you are working are Franco-Ontarians. Obviously two out of the three rehabilitation officers in the field should be bilingual. I don't necessarily think the director has to be, but certainly if you're going to provide a service, you're going to be dealing with a lot of people who are Franco-Ontarians and some of them have great difficulty expressing themselves in this language.

So there are two things. First, there are the numbers and second, there is the question of whether they can communicate with the people with whom they are working. I would suggest a higher percentage of the people in need of rehabilitative services is bilingual than is the percentage of the people in the area who are bilingual or who are French-speaking. I think the minister would agree with me on that.

Hon. Mr. Brunelle: That could well be.

Mr. R. S. Smith: I think that's very significant. First, the numbers are wrong. They are too low. Second, it's very important that the people be bilingual. Even if you could look at your ordinary field worker in the North Bay area, other than five or six who are there, there's one I know of who is bilingual. I think that's an insult to an area that is 35 to 40 per cent French-speaking. I don't think those people are well served because of that. That's in the North Bay office. Sturgeon Falls office is different; they're both bilingual there. Obviously they have to be.

I could say a lot more insofar as rehabilitation is concerned, because I suppose it should be the basis of your whole programme, but obviously it has yet to reach that stage. The first question I asked was on subsidies and grants for residential programmes, workshops and work activity projects, capital and operating. I wonder if you could describe what that means?

Mr. Crichton: I am sorry sir, I didn't hear you.

Mr. R. S. Smith: It's the next section in that block on page 49.

Mr. Crichton: Are we talking about payments and purchase of service arrangements?

Mr. R. S. Smith: No, after that.

Mr. Crichton: Subsidies and grants for residential programmes, workshops and work activity projects?

Mr. R. S. Smith: Yes.

Mr. Crichton: This really relates to three separate programmes: residential programmes under the Charitable Institutions Act, which are halfway houses for chronic alcoholics; halfway houses for the adult physically disabled, and work activity projects which are funded through the General Welfare Assistance Act in co-operation with municipalities.

Mr. R. S. Smith: What's that last one?

Mr. Crichton: Work activity projects, which are work adjustment programmes done jointly with the municipalities.

Mr. R. S. Smith: That's where they go out and change the posts and all that kind of thing.

Mr. Crichton: There are a variety of projects which make use of different work activities.

Mr. R. S. Smith: Those programmes are really worthless. I've watched those guys, you

know. Anyway, what are these halfway houses for alcoholics doing in this ministry?

Mrs. Campbell: They aren't doing anything for anybody anyway.

Mr. Crichton: I think the rationale for it is that halfway houses are really a community-based programme, an attempt to assist the individual to adjust to many different facets of community life, as distinct from the institutional kinds of programmes that we find in other ministries. It's a distinction between the kind of health care facilities we find under health, or correctional institutions that we find under the Ministry of Correctional Services. I think it combines a number of different facets, not only adjustment to community living in the broad sense of the word but adjustment in the vocational area also.

I think there is really a distinction; it's a fine one but I think it is an essential one to both the programme people in the community as well as the residents who participate. I think there is a distinction between being sent to a programme on judicial order and participating voluntarily in one. As I say, it's an indistinguishable one but I think to the resident it's a significant one.

Mr. R. S. Smith: Yes, okay, that's fine but that still doesn't tell me what kind of professional people you have available to deal with alcoholics or what your philosophy is in dealing with alcoholics or that type of thing. I have always been of the impression that alcoholism was a disease to be treated as any other physical disease or perhaps mental disease.

I thought that over the past three years there had been a general rationalization of this halfway house business so that we had got these things moved around into some kind of order. But this thing pops up here and as far as I am concerned it's the only place in your ministry where you are dealing with alcoholics, except perhaps on a one-to-one basis in the home with your field worker and that type of thing.

Generally speaking, all the other facilities provided, like the drunk tanks, the special programmes going on in some of the hospitals—in Thunder Bay, North Bay or some of the other places across the province—the Clarke Institute, all these places which are really dealing with the alcoholic are within the Ministry of Health. All of a sudden we find the halfway house for alcoholics here and we have a halfway house for alcoholics in Thunder Bay.

Mr. Crichton: That's right.

Mr. R. S. Smith: I find it rather difficult to understand why it's here.

Hon. Mr. Brunelle: Let me say just a brief word. For instance, in my own riding of Cochrane North Maison de la Tour is a halfway house and it serves the Timmins Cochrane and Kapuskasing area. This programme was implemented about a year and a half ago and it's working exceedingly well. My understanding is that the detoxification centres under the Ministry of Health are fine; they get treatment but it is something like a revolving door unless they go to a halfway centre where they get rehabilitation and where they are looked after. They get room and board and then they work nearby under not a DREE programme, a LEAP programme. They do furniture like they do in southern Ontario at—I forget the name of it—

Mr. Crichton: Bon Accord.

Hon. Mr. Brunelle: Bon Accord. This programme, Mr. Chairman, is working exceedingly well and I use that as an example. There are similar programmes in other areas. I do believe that these halfway houses serve a very worthwhile purpose in the rehabilitation of alcoholics.

Mr. R. S. Smith: I am not saying they don't serve a worthwhile purpose or they are not a benefit to the community or to the alcoholics themselves. I am suggesting to you that with the treatment centres being established in some of the hospitals, with the Addiction Research Foundation, with the Ministry of Health and now with you people, this type of thing might best be put under the same ministry as all the other programmes which are concerned with this type of person. Even though there must be some type of assistance among all the programmes, I thought there was to be a rationalization so there would be a total concept within one ministry to deal with the alcoholic. I think the gentleman behind you was the chairman of the happy group which dealt with it; is that not right?

Hon. Mr. Brunelle: Are you referring to Mr. Crawford? Yes. The halfway houses used to be under the same vote as the homes for the aged.

Mr. R. S. Smith: No, there was also a special group set up to look into this whole area.

Mr. Anderson: Mr. Chairman, Mr. Crawford has just pointed out to me that some time ago there was an interdepartmental committee formed among the Ministry of Health, the ARF and our own and certain responsibilities were assigned to each ministry. The detoxification of the person who is in the acute stages of

alcoholism would be handled as a health problem through the treatment centres of ARF. At a certain stage in the development, when the person could work in the community and live in the community, and because the main aspects of his life at that time required social and vocational rehabilitation, as well as personal maintenance, a hostel type of care was needed with these other supplementary services. It was felt that was more in keeping with the social services of this ministry and we undertook the next phase of that person's development. I think that was the outcome of that committee on which Mr. Crawford served for some time. That is how this ministry got to be responsible for the halfway houses.

At one time, there was some contribution by this ministry to the detoxification units until they were taken over by the Ministry of Health and covered as part of the outpatient and inpatient services of the general hospitals. St. Michael's Hospital, for instance, was allowed to establish a detoxification centre at a place remote from the hospital but the people were considered to be residents of the hospital under OHIP.

Mr. R. S. Smith: Are you people satisfied that this is the best method of dealing with these people?

Mr. Crichton: At the present time, I think it is perhaps the best method. We also see alcoholism as a disease and we think it's being treated as a disease in health facilities such as hospitals and detox centres as well as numerous other clinics. We really see the halfway house programme as dealing with the socially disruptive aspects of that disease.

I might also add that the staffs of halfway houses are in close contact with health clinics, with ARF, as well as with the other kinds of social agencies necessary for one's rehabilitation. I think we may have the best of both worlds by straddling.

Mr. R. S. Smith: The only other question I have is on the capital grants for physically handicapped residential programmes. What are the capital grants there? Are they per-bed grants?

Mr. Anderson: Mr. Chairman, those subsidies are available under the Charitable Institutions Act; they are near \$5,000 per bed for construction.

Mr. R. S. Smith: The best we can do this year is about 210 beds for both of those programmes.

Mr. Crichton: For which programmes?

Mr. R. S. Smith: For all three programmes—residential programmes; workshops; work activities for halfway houses; for adults physically handicapped and alcoholic; and the other work—

Mr. Crichton: No, they are different.

Mr. R. S. Smith: That's different.

Mr. Crichton: There are three distinct programmes.

Mr. R. S. Smith: That wouldn't have a per-bed grant.

Mr. Crichton: Your per-bed grant relates only to the residential programmes—the halfway houses for alcoholics, physically disabled and ex-offenders.

Mr. R. S. Smith: Yes. Those three programmes would have about 200 beds this year. As far as the senior citizens are concerned, I would ask if the amounts of money for capital here are primarily for homes for the aged.

Hon. Mr. Brunelle: Yes, the table on page 65 shows the capital grants (1) for charitable homes, (2) for municipal homes, (3) grants under the Elderly Persons Centres Act and (4) grants under the Ministry of Community and Social Services Act.

As indicated in the explanatory note for item 1, Mr. Chairman, greater use is being made of debt retirement, in which the province shares in the repayment of principle and interest on approved debt. There are many charitable organizations making use of that avenue instead of regular funding. They have the option of funding for \$5,000 per bed for new construction or \$1200 for renovations or going via the route of the debt retirement; and more and more are using the debt retirement option.

Mr. R. S. Smith: Where do they get the funds for the debt retirement option?

Hon. Mr. Brunelle: CMHC and often OHC.

Mr. R. S. Smith: I see. They are built through CMHC with 90 per cent federal financing or something like that. Is that correct?

Hon. Mr. Brunelle: Yes, there are advantages; and especially for charitable organizations, there are some distinct advantages.

Mr. R. S. Smith: But as for your actual homes for the aged programme, where you own the homes, no matter where they are, the homes are owned by—

Hon. Mr. Brunelle: The municipality or the county.

Mr. R. S. Smith: —or boards—there is going to be very little construction this year. Is that correct?

Hon. Mr. Brunelle: Well, the amount there is \$3,888,300.

Mr. R. S. Smith: How many beds does that represent across the province?

Hon. Mr. Brunelle: Well, I'd like to have Mr. Crawford reply; he is the executive director of our senior citizens' bureau. A lot of these projects are sometimes carried out over two and three years. They are approved and paid over two to three years.

Mr. L. Crawford (Executive Director, Senior Citizens): Basically this year we are adding about 350 beds in municipalities, but there are also about 1,027 beds already under construction and another 804 due for completion in 1975-1976. Those figures are for municipal homes only. For charitable homes, the figures are 831 beds under construction and 670 beds scheduled for completion in 1975-1976. Therefore, there is a total of 1,474 beds that will be added in 1975-1976 to provide places for men and women across the province.

You have this information, Mr. Smith, on page 66 of the blue book.

Mr. R. S. Smith: Yes, I am looking at page 65.

Mr. Crawford: But on page 66 you have the breakdown of staging—what is under construction, what is scheduled for completion and so forth.

Mr. R. S. Smith: On a percentage basis, how many of those beds will be extended-care beds and how many actually will be home-for-the-aged beds?

Mr. Crawford: We are moving away from extended care in the new construction, Mr. Smith, although we recognize that we are going to have somewhere around a third. It will be extended care, but that is a complete shift away from what prevailed in 1972 when the programme came into effect in the existing homes and with the existing residents in the homes, where we had something more in the nature of a 50-50 or 60-40 split between residential care and extended care.

Mr. R. S. Smith: So you are trying to move away from extended-care beds as much as you can?

Mr. Crawford: We believe that our responsibility is in social care. We are exploring with the CMHC other means of development of mixed housing and homes for the aged which again, as the minister mentioned under debt retirement, would lessen our need for capital and increase our operating costs as we paid the principal and interest on a CMHC loan. The types of accommodation would also be different. There would be more self-care—more for elderly individuals to do things for themselves and have a greater degree of independence.

Mr. R. S. Smith: I will ask a parochial question now. How close are we to the establishment of this type of addition to the facilities in my area that they've been asking for for some two years now?

Mr. Crawford: I couldn't answer that question right now, Mr. Smith.

Mr. R. S. Smith: Is it to the point where there is talk of agreement among CMHC and the local board and yourself?

Mr. Crawford: I am not familiar as to whether Cassellholme has come to any agreement on the use of its land for a housing project. I don't know what the hold-up has been on that. Part of that rests with the attitudes of CMHC and OHC, and not so much as with our ministry.

Mr. R. S. Smith: That's all I have on this vote, Mr. Chairman.

Mr. Chairman: Mr. Haggerty has the floor next.

Mr. Martel: I should follow him, Mr. Chairman.

Mr. Chairman: I think he has the right to speak. He has indicated a long time ago that he wished to speak.

Mr. Martel: Oh, come off it! I'm going to tell you what happened, Mr. Chairman, on a point of order.

Mr. Chairman: A point of order.

Mr. Martel: This afternoon the member for St. George led off on behalf of the Liberal Party. She spoke on day care and then moved to other types of items under this particular vote. It was then my opportunity to speak. I spoke to day care and because you, Mr. Chairman, wanted to allow others in, I allowed them to get in on the daycare item. If you had then allowed the situation to prevail as in the case of the member for St. George, it should at that point have come back to me. You then

moved from the member for St. George to the member for Nipissing, then to Mr. Haggerty, and then back to Mr. Smith. Now you are going back to Mr. Haggerty. That is just totally irresponsible on your part.

Mr. Chairman: Mr. Martel, we haven't allowed Mr. Laughren to speak at all.

Mr. Martel: Mr. Laughren spoke this afternoon. Don't be ridiculous. I surrendered my place in the order to speak to allow all the rest of these people to come in on day care. I haven't even attempted to go back to other points.

Mr. Chairman: He also spoke tonight.

Mr. Martel: Who?

Mr. Chairman: Mr. Laughren.

Mr. Martel: Mr. Laughren didn't speak tonight. He got the answer to a question that he posed this afternoon when he was on. You've played games, Mr. Chairman, all last week and you are starting again this week.

Mr. Chairman: No, I'm not playing games.

Mr. Haggerty: Do you want a crying towel, Mr. Martel?

Mr. Martel: No. If you are going to set some way that we can move in this thing with some sense, that is fine. I didn't oppose the member for St. George when she spoke on a variety of items. I started to speak, but I surrendered at your request, Mr. Chairman, to the rest who wanted to speak to day care. At that point, I should have been allowed to continue.

Mr. Chairman: On day care?

Mr. Martel: No, on the other items the member for St. George was allowed to discuss.

Mr. Laughren: On the same vote.

Mr. Martel: On the same vote as the member for St. George was allowed to do. She was allowed to speak on all the items on this particular vote she wanted to speak to.

Mr. Chairman: In this year of the women, I am giving a little—

Mr. Martel: No, you can't play that game. You tried that last week too, Mr. Chairman.

Mr. Chairman: If I can be accused of anything, I suppose it is—

Mr. Martel: You changed all the rulings last week. You played the game every day and you are trying it again today.

Mr. Chairman: Mr. Martel, what do you wish to speak about?

Mr. Martel: Mr. Chairman, a whole variety of things.

Mr. Chairman: If you are going to have a variety, Mr. Haggerty has one point he wants to talk about.

Mr. Martel: So do I. I have one on each of about a dozen things, and I'm going to start no later than right now and no sooner.

Mr. Chairman: I think Mr. Haggerty wants to deal with the matter of adoption.

Mr. Martel: So do I. As a matter of fact, that's what I've got right in front of me.

Mr. Chairman: Then you proceed on adoption.

Mr. Martel: Thank you, Mr. Chairman; I'll speak to the Children's Aid Society when I come back. It just happens the people I want to speak to first on rehab are sitting at the table. They are right there.

Mr. Haggerty: Just by coincidence.

Mr. Martel: Just by coincidence.

Mr. Chairman: I thought we were going to deal with adoption.

Mr. Martel: No, I'm going to deal with it the way I want to deal with it. How's that, Mr. Chairman?

Mr. Chairman: Are you now? I may have something to say about that.

Mr. Martel: That's right. Because it's all in this vote and you are not going to have anything to say about that.

Mr. Chairman: Oh yes, I am.

Mr. Martel: You have not interfered with anyone else and you have allowed them to cover the waterfront. If you want to take all day, that's fine with me.

Mr. Chairman: If you look at the actual time, who has covered the waterfront and who has talked the most in these estimates and who has had the most privileges—

Mr. Martel: The member for Nipissing.

Mr. Chairman: No. You have, by twice as many hours in time.

Mr. Martel: I haven't spoken today yet. I am still waiting.

Mr. Chairman: I am simply saying that if you want to talk about adoption, that's what Mr. Haggerty wished to talk about, and it comes under the services for children.

Mr. Martel: Mr. Chairman, don't come that around here. You just went through—

Mr. Chairman: He indicated a long time ago that he wished to talk about the subject under services for children.

Mr. Martel: Mr. Chairman, that is nonsense and you know it. You are playing the game again. I am not going to tolerate it.

Mr. Chairman: I am not playing a game at all.

Mr. Martel: I am going to talk to this item on a variety of topics, and if you want to play the game I am here and I will argue the point until hell freezes over, if that is the game you want to play.

Mr. Chairman: I am allowing you to talk about—

Mr. Martel: I am going to speak on the item which is before us, which is the social and institutional services programme. You have just allowed the member for Nipissing to cover the waterfront. Now, what the hell kind of game are you playing?

Some hon. members: Order. Order.

Mr. Martel: Don't give me that nonsense.

Mr. R. S. Smith: On a point of personal privilege—

Mr. Chairman: Yes, I think you have one too.

Mr. R. S. Smith: On a point of personal privilege, I would just like the member to know that I have not spoken as long as he has.

Mr. Martel: Tough.

Mr. R. S. Smith: And if I had I would feel badly.

Mr. Martel: Would you? You will agree though, Mr. Chairman, to the member for Nipissing—

Mr. R. S. Smith: I have not spoken as long as you have, because I just couldn't do it.

Mr. Martel: Oh, you haven't done badly tonight—two hours and 10 minutes.

Mr. R. S. Smith: I didn't go two hours and 10 minutes.

Mr. Martel: And you will agree, Mr. Chairman, through you to the member for Nipissing—

Mr. Chairman: Come on, Mr. Martel, please proceed.

Mr. Martel: —that you covered the waterfront tonight.

Mr. Chairman: Come on, Mr. Martel, please proceed in an orderly fashion.

Mr. Martel: All right then, that is the game he is playing now. You'll agree with me—

Mr. Chairman: Come on, let's get on with it.

Mr. Martel: Mr. Chairman, I want to speak about the handicapped for a moment, if I might, just very briefly.

Mr. Chairman: Can we not deal with adoption? You wanted to talk about adoption.

Mr. Martel: I don't want to deal with it in that order.

Mr. Chairman: Well, do we have to do it your way?

Mr. Martel: We should do it your way, eh?

Mr. Chairman: Yes, I want you to deal with adoption. Then I want Mr. Haggerty to deal with adoption.

Mr. Martel: Well, you didn't do that with Mr. Smith. He just finished talking for two hours. What kind of game are you playing? That's all I want to know.

Mr. Chairman: We are dealing with the whole vote.

Mr. Martel: No, no. That's right. All right, you tell me the game you are playing?

Mr. Smith spoke on homes. He spoke on adoptions. He spoke on the handicapped and no one was allowed to get in, or even attempted to get in, on any of those items. Now, what kind of game are you playing? What kind of game are you playing?

Mr. R. S. Smith: Come on now, Elie.

Mr. Chairman: Mr. Martel, you know that you have the opportunity to get in.

Mr. Martel: I just sat back quietly and waited my turn.

Mr. Haggerty: That is unusual.

Mr. Martel: That's right. I'll accept that. But you are playing games and you know it.

Mr. Chairman: No, I am not.

Mr. Martel: You didn't tell him how to approach it, Mr. Chairman. He was allowed to go to any item he wanted under this vote.

Mr. Chairman: Sure.

Mr. Martel: All right. Now, what in the hell is he doing playing this kind of game?

Mr. Chairman: Well, I am just trying to—

Mr. Martel: Don't try to do anything. You are just causing a lot of trouble.

Mr. Chairman: Mr. Martel, I am simply pointing out that Mr. Haggerty indicated he wished the floor a long time before you did.

Mr. Martel: What time was that?

Mr. Chairman: Oh, way back before 6 o'clock on this item.

Mr. Martel: Mr. Chairman, he was still speaking, for God's sake.

Mr. Haggerty: No, I followed Mr. Smith.

Mr. Martel: How could you? He spoke after you.

Mr. Haggerty: No, he gave the chairman the nod—

Mr. Martel: You spoke before him.

Mr. Haggerty: No, wait a minute now. He gave the chairman the nod that he wanted to speak again—

Mr. Martel: Don't give me the gears.

Mr. Haggerty: —and I said, "Put my name down too."

Mr. Chairman: He did, Mr. Martel, be fair.

Mr. Martel: Let's go back to the member for St. George who was allowed to cover the waterfront.

Mr. Chairman: It's too bad that we can't give you two-thirds of the time, Mr. Martel, but there are other members of the committee who wish to speak to points and if I am going to follow any sort of order—

Mr. Martel: You are not following any order, Mr. Chairman.

Mr. Chairman: Well, I am trying to.

Mr. Martel: No, you are not. Would you hear the member for St. George out?

Mr. Chairman: I am not trying to give you a monopoly, I am trying to give other members an opportunity.

Mrs. Campbell: Mr. Chairman, it is a fact that in opening I did cover several items, but I only covered the items in services for children. I covered all of those in opening except the matter of the child abuse, and I asked if I might speak to that. I have not spoken yet on the workshop programmes—

Mr. Martel: I am not saying that. I am saying that you spoke much—

Mrs. Campbell: —but I certainly covered more—he is quite correct—I covered more than simply the matter of day care.

Mr. Chairman: I agree, but I think—

Mr. Martel: Yes, right and that is where you are caught.

Mr. Chairman: I am not caught. No way at all.

Mr. Deacon: Let's just get busy and get on with these estimates.

Mr. Chairman: I am trying to give you an opportunity to speak to one item and then give other members the same opportunity.

Mr. Haggerty: You have spent 15 minutes just fooling around here when you could have been on it. Get on it.

Mr. Martel: If it takes an hour, that's fine.

Mr. Haggerty: It is a wide ball park. Get on it.

Mr. Martel: Right.

Mr. Chairman: You can have up to two weeks from today as far as I am concerned. Go ahead, Mr. Martel.

Mr. Martel: Thank you, Mr. Chairman.

Mr. Chairman: You have got the opportunity, now produce.

Mr. Martel: I will, Mr. Chairman.

Mr. Chairman: It will be something new.

Mr. Martel: We haven't done badly.

What happened to the Vietnamese children who came into Canada? I understand that you had a bunch of children from Ontario who were moved out of Surrey Place to other places to make room for the Vietnamese children. Is that right?

Miss Crittenden: Yes, Mr. Chairman.

Mr. Martel: Why did you do that?

Miss Crittenden: I don't exactly understand your question, Mr. Martel.

Mr. Martel: Why did you take the Canadian kids who were in a place like Surrey Place and move them all out and move others in? What did you do with them?

Miss Crittenden: I wonder if you know how many children we are talking about; 13 who were there as parent relief. This is a programme for children who are brought in for two or three days, or sometimes four days, to relieve their parents.

This is not a programme such as occurs at Orillia, or Whitby, or St. Thomas. In fact there are very few children in Surrey Place. When we were bringing the children in from Vietnam we already were aware that they were ill children. They had to be looked after and it wouldn't be appropriate to have sick children placed with healthy children. Considering that we are only talking about 13 children, and yet we had the ability to look after 60 babies quite close to the Sick Children's Hospital and the Toronto General Hospital, it seemed about the most—

Mr. Martel: I don't want you to be defensive about it. I just wanted to know what has happened to the kids who were in there at the time, where they went, the 13 that you speak about. You seem overly defensive about it.

Miss Crittenden: I am sorry. I was trying to understand what the point was because there was room for 60 children in place of 13 and it seemed a reasonable way to look after them.

Mr. Martel: And how many Vietnamese children did you put in there?

Miss Crittenden: There were 62 brought out; two left for England; two went to the United States, so that there were seven in the Hong Kong hospital; seven went to the Sick Children's Hospital—that is 18 out of 62. So it had to be 44.

Mr. Martel: Would you have had to move the 13 other children? Was there a reason for moving them?

Miss Crittenden: Yes, Mr. Martel.

Mr. Martel: Because of the illness?

Miss Crittenden: Yes.

Mr. Martel: It was due to the ill health of the children you were bringing in?

Miss Crittenden: Yes.

Mr. Martel: That's all I am trying to find out.

Last year there were two studies begun, adoption for older children and foster homes. Are both those studies now completed?

Hon. Mr. Brunelle: This is Victoria Leach. She is our co-ordinator for adoption for the province. Mrs. Leach, could you comment on these two reports?

Mrs. V. Leach (Adoption Co-ordinator): Mr. Chairman, the study for the adoption of older children was discontinued because we could not get a true sampling.

Mr. Martel: But it seems to me that is where you have the highest number of children who aren't being adopted.

Mrs. Leach: That's right. We were doing a study on the children who were adopted and a follow-up on it, but we couldn't get enough families who were willing to be involved.

Mr. Martel: So you just dropped the—

Mrs. Leach: The study was discontinued because we couldn't get a valid sample.

Mr. Martel: But surely we have to know why these kids aren't being adopted and what's the best place for them and how do we help them? We don't simply just stop, do we?

Mrs. Leach: No, the children are being adopted. But we couldn't get a valid sample to do a research project on it.

Mr. Martel: I look at the statistics and it is those children who aren't being adopted and are the most difficult to place as they get older.

Mrs. Leach: That's right.

Mr. Martel: Well, if that's the group you are having difficulty with in finding placements for, surely that's the area you must concentrate on.

Mrs. Leach: We are concentrating on that and we are placing a great many older children. Last year we placed the oldest child who'd ever been placed on adoption by a Children's Aid Society, from the district of Nipissing, a 16-year-old girl who moved into her adoption home on her 17th birthday. We've placed a lot of older children and we are continuing to place them. But it was the adopting families themselves who objected to being part of this study.

Mr. Martel: The adopting families?

Mrs. Leach: Yes. The agencies spoke to each family as an older child was being placed, and some of them chose not to be a part of it. And so the researcher who was heading this study felt that she could not continue because she was not getting a true sampling.

Mr. Martel: Have you looked at what is happening in other jurisdictions? Surely the same thing must be occurring there.

Mrs. Leach: Yes, we have quite a few books in our libraries on this subject which we are studying from time to time and are sharing with other societies.

Mr. Martel: How do you intend to get to the bottom of the problem if you haven't got an ongoing study, and you really don't know and can't find out what's happening? Where do we go from here? Your own opinion; don't ask the minister; feel free to answer.

Mrs. Leach: It's quite possible we can pick this up again. We were concentrating on an area close to Toronto because of the distance involved. It hasn't been totally thrown out.

Mr. Martel: That really disturbs me, because statistics indicate that there's no problem with children being placed either for adoption or in foster homes if they're young. And yet as they get older this is occurring. I suggest it's going to get worse when you have more break-ups involving families with older children. The situation's going to get worse. We should have some of the answers now. I'm really amazed.

Mrs. Leach: We do have a lot of self-help groups where people are doing a lot of helping with each other, the same as some of the other programmes. This is working extremely well. I think Ontario has led Canada in the placement of older children. We have been asked by other provinces to help plan for some of their children.

Mr. Martel: I might do things differently than the ministry has done to date, I'm afraid. I am convinced, the more I talk to people who are willing to talk on this issue, that adoption and placement is a total disaster. There are exceptions, but the people I've been speaking to are of the opinion that it's terribly detrimental. These studies in the United States of the various groups which are trying to find their own identity, are an example. The minister and I have had several exchanges over trying to find out the background and the child having the right to know it. There's an association for that now in the United States, is there not?

Mrs. Leach: That's right, but that's a minority group.

Mr. Martel: Well, I think they have a right to know. Of course, we differ, I suppose, on that. As human beings, I think they have a right to know what their family background is, what the family ties are.

Mrs. Leach: Those children do know what their family background is. They may not know the name of their biological parents, but they certainly know a great deal about their background. And if we're talking about older children, they remember their parents.

Mr. Martel: Oh, yes, the older ones. But there are many younger ones that don't.

Mrs. Leach: They are given a great deal of information about their family background.

Mr. Martel: But your emphasis hasn't yet been prevention of break-up of families in Ontario. It takes great pride in all its placements and in successfully putting kids in homes, whether they be foster homes or adoptive homes, but our success rate in terms of preventing the breakup of any family and the total destruction of the kids is—

Mrs. Leach: Are you talking about prior to adoption?

Mr. Martel: Right.

Mrs. Leach: Prior to coming into the care of a Children's Aid Society?

Mr. Martel: Well, it's one and the same, isn't it? One should be putting the kids into the homes before they get into the care of The Children's Aid Society. That's where the help should be, not after the crisis. Our whole direction—well, we'll talk about that tomorrow. But our whole direction has been crisis-oriented.

Mrs. Leach: Mr. Chairman, I don't agree with this and certainly we can't place children in homes on adoption until we have the legal right to do so.

Mr. Martel: No, you're missing my point. I'm saying that our thrust to date has not been to put field workers in homes if need be to prevent the break-up of the natural family. We have always moved—the children's aid societies and so on—after the crisis has occurred rather than before it occurred.

Mrs. Leach: Mr. Chairman, I can't speak to that because my role in the ministry is strictly on adoption.

Mr. Martel: Right; and, of course, you support that position. I am not sure I do as much as I might have at one time, although I have seen some homes that are just superb homes. According to the people I talk to, the various psychologists and psychiatrists, it's really destructive. I really don't know, but I am told it is.

Mr. R. S. Smith: What is really destructive?

Mr. Martel: In adoptions. When you have emotionally disturbed children and so on, frequently they are from adopted homes. I just don't know. Maybe tomorrow we will get to do some work on finding out how it is going on and how to prevent it from occurring.

I am not trying to make a *carte blanche* statement that foster homes are bad or adopted parents are bad. I am not saying that at all. My information is that it is frequently destructive of children and that the thrust should be in a vastly different direction than has been Ontario's role to date, which has focused to date, I would suggest, primarily on placement and adoption, as opposed to prevention of the breakup of the natural family. I don't think anyone can dispute that. I hope the direction will change.

What about the foster home study? That was also started. Is that completed? What happens to children in foster homes?

Mr. J. K. Macdonald: Mr. Chairman, I have been advised that the foster home study which has been conducted by Mrs. Nora Fox, who has retired from the ministry, is being edited at this point and will be available some time during the summer.

Mr. Martel: Have you any idea on how broad a plane that study was conducted? Did it cover a number of children's aid societies or just one?

Mr. J. K. Macdonald: I think it covered all children's aid societies and it did a survey of the progress of adolescent children in care throughout all societies.

Mr. Martel: Going back to the number of placements that they had at a very early age? You say that should be ready in several months?

Mr. J. K. Macdonald: I understand it will be completed by the end of the summer.

Mr. Martel: Mr. Chairman, there were several studies that came out called "Child Abuse in Ontario." What prompted that? I might ask the minister or the deputy minister what prompted that study or studies. I understand there were four or five of them to be precise.

Hon. Mr. Brunelle: Child abuse, Mr. Chairman, is certainly a matter of great interest and of great concern to all. There have been various studies. At the present time, there is a committee being established. There will be a general conference and then regional seminars of the province on this very question.

Mr. Martel: Seminars. This is really interesting. When is this seminar going to take place?

Hon. Mr. Brunelle: Sometime, I believe. Maybe Mr. McLellan can give you more definite information on this.

Mr. G. McLellan (Executive Director, Social Services): Mr. Chairman, the provincial seminar is planned for September, 1975.

Mr. Martel: That will be done with quite a bit of fanfare, I presume, with advertising and so forth.

Mr. McLellan: No.

Mr. Chairman: There are at least four bands hired.

Mr. McLellan: Mr. Chairman, it is actually planned to be a small, fairly low-key type of seminar to bring together members of the key professions that are involved and concerned in child abuse. We are planning a fairly small seminar with the idea of sharing knowledge, concerns and ideas among this group of key professionals who are at present the most active and concerned in the province at this time.

The idea is to develop directions and proposals for improving child-abuse services in the province and, subsequently, as Mr. Brunelle has indicated, to have a series of regional seminars across the province to assist local communities to come together with their own professionals and agency people and the general public.

Mr. Martel: When will those regional ones take place—also this fall?

Mr. McLellan: No, the plan is to have them as spinoffs from the provincial seminar, so that I would see them going through the fall and the winter and into the spring.

Mr. Martel: They wouldn't be deliberately designed, Mr. McLellan—you are Mr. Gordon McLellan?

Mr. McLellan: Yes, that is correct.

Mr. Martel: You have a memo to you called "The Backburner Stuff," do you?

Mr. McLellan: That's right.

Mr. Martel: It's dated Jan. 15, 1975. Let me tell you what they think of politicians. This is from your staff, Miss Crittenden.

Ultimately, of course, the elected political representatives themselves, for most part

run-of-the-mill citizens, must pass any legislation that may be required.

But let me go on. I just want to quote some interesting things in this.

Mr. R. S. Smith: Don't you consider yourself run of the mill?

Mr. Martel: That's right; even worse than that.

Mr. R. S. Smith: That is a compliment.

Mr. Martel: It says:

1975 apparently will be an election year in Ontario. At such a time leadership initiative is of special importance. Imaginative initiatives are expected in areas of public concern. One such area is child welfare and child development. Day care has become a subject of sharp controversy. Something less contentious and divisive is needed to provide focus for more harmonious undertakings.

Mr. Laughren: That is not political.

Mr. Martel: That is not political. You wouldn't for a moment think that was political, would you?

Mrs. Campbell: Will you get fired for taking part in this the way you do? Who signed it?

Mr. Martel: It's on Miss Crittenden's letterhead, Office of the Deputy Minister, signed by Mr. Charles E. Hendry.

Mr. R. S. Smith: That's not political, that's sick.

Mr. Martel: Let me go on.

It is suggested here that child abuse or child batterings supply such a focus for political action.

Mrs. Campbell: Oh, God!

Mr. Martel: Can you imagine? Can you imagine someone saying that we get down to talk about child abuse as a political manoeuvre to get the heat off the minister over day care?

Mr. Chairman: Is that in the memo too?

Mr. Martel: That's what it says, Mr. Chairman. Do you want a copy?

What kind of crap goes on over there? What kind of nonsense goes on that says we will use child abuse or child battering as a focus for political action so we can get the heat off?

Day care has become a subject of sharp controversy. Something less contentious and divisive is needed to provide focus for more harmonious undertakings, particularly in an election year.

That's what we are talking about. That's how we get to these subjects when we talk about dealing with child abuse.

It goes on for six pages, outlining who should be at the meeting: Mr. McLellan; children's aid societies; family service agencies; juvenile and family courts; paediatricians; Ontario Medical Association. Second group: Ontario Nursing Association; Upper Canada Law Society; Ontario Association for Professionals. Third level: any research units in or directly connected with Ontario universities. And, finally, in the fourth group, the more obvious of these include the Ministry of Health; the Ministry of Education; the Ministry of the Attorney General; and so on. That's how we get around to talking about child abuse in Ontario. That is a disgrace. Really it is.

Mrs. Campbell: That's sick.

Mr. Martel: Miss Crittenden, somebody on your staff is sick; and it's on your letterhead, the office of the deputy minister—

Miss Crittenden: May I see the letter afterwards?

Mr. Martel: Yes, you certainly may. I think, Mr. Minister, that is sick. It's a good place to leave off until tomorrow when we will continue.

Mrs. Campbell: A good place to leave off would be: Why don't you fund the efforts of those who are working in the field, instead of this kind of nonsense?

Mr. Chairman: We will resume after the question period tomorrow.

Mr. R. S. Smith: I think you should hire a psychiatrist to have these people looked at.

Mrs. Campbell: Jeepers!

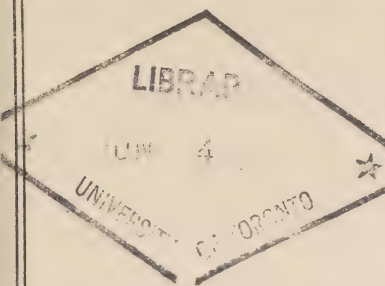
The committee adjourned at 10:25 o'clock, p.m.

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Ontario. Legislative Assembly

Legislature of Ontario Debates

ESTIMATES, MINISTRY OF COMMUNITY AND SOCIAL SERVICES

Standing Social Development Committee ⁵⁷

Chairman: Mr. R. G. Hodgson

OFFICIAL REPORT — DAILY EDITION

Fifth Session of the Twenty-Ninth Legislature

Tuesday, May 13, 1975

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

THE QUEEN'S PRINTER
PARLIAMENT BUILDINGS, TORONTO
1975



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Daily index of proceedings appears at the back of this issue. Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff (Phone: 965-2159).

LEGISLATIVE ASSEMBLY OF ONTARIO

TUESDAY, MAY 13, 1975

The committee met at 3.15 o'clock, p.m.

ESTIMATES, MINISTRY OF COMMUNITY AND SOCIAL SERVICES

(continued)

On vote 2603:

Mr. Chairman: Order, please. We are on vote 2603. Miss Crittenden, do you have some material for us?

Miss D. Crittenden (Deputy Minister): Yes, Mr. Chairman, I would like to file with you a copy of the letterhead that has been used by me as deputy minister, which does not correspond with the letterhead the critic from the NDP—

Mr. R. S. Smith (Nipissing): I am sorry, I can't hear you, Miss Crittenden.

Miss Crittenden: I would like to file with the chairman and the clerk a copy of the letterhead that has been used by me since I became deputy minister. It does not correspond with the letterhead that was shown by the critic from the NDP last night.

Mr. Chairman: Thank you. Are there any further comments on the matter under discussion when we rose?

Hon. R. Brunelle (Minister of Community and Social Services): I think I said this last night, but I think it is worth reiterating; the question of child abuse is one that our ministry has been very concerned about, very involved in. There have been reports over the past three or four years, it is not a question that arose suddenly. It's one we have been interested in for quite a number of years. As I indicated last night this was the first time I had heard of this memorandum, and I will look into it.

I don't know whether Mr. McLellan would wish to comment. His name is mentioned, the memorandum was sent to him. I don't know whether you wish to add to this Mr. McLellan?

Mr. G. McLellan (Executive Director, Social Services): Perhaps before the committee proceeds, Mr. Chairman, I might just comment that the activities of the ministry in connection

with child abuse, and the committee on child abuse within the ministry, have been going on for some time as the minister mentioned.

The long-range planning for conferences on this was seen as an important aspect quite early in the committee activities. I was checking notes today on the earlier activities of the committee that indicate that as early as the fall of 1973 we had indicated a conference approach was needed in the field of child abuse and that this would be part of our long-range plan.

The committee has been particularly active since the summer of 1974 developing plans for conferences, seminars and other kinds of activities related to the field of child abuse. I would be glad to summarize those activities and initiatives if the committee would like, but I just wanted to make that point, Mr. Chairman.

Mr. Chairman: Mr. Martel.

Mr. E. W. Martel (Sudbury East): Mr. Chairman, I apologize for being a few moments late.

I have some difficulty with that latter statement made by Mr. McLellan. If it went back to 1973, why then is the following requested? In the memo it says:

Two matters require preliminary consideration. The first can be stated simply by asking the question: What is the problem of child abuse? The second question to be settled is: What is our purpose, or our purposes, in attempting to arrange a series of consultations, seminars, workshops or conferences to consider the problems?

Now, I have the three other papers. One of those working papers being considered at the time was "Child Abuse in Ontario," November, 1973. So we don't dispute that this went back to 1973. Reports were coming in then. You had the report by Danuta Barr of June 14, entitled "Definitions of Child Abuse", a discussion paper. And "Child Abuse in Central Registry", December 11, 1974. No one disputes there has been discussion in the ministry about child abuse.

What bothers me about the whole tenor of the letter—and it is the original that is here, obviously, because it is signed in ink—is the

cynicism. One must ask himself: Where was Dr. Hendry when all this discussion was going on? If he is a consultant within the ministry, one asks himself where was Dr. Hendry? Was he on a permanent vacation for the whole year, or from 1973 until he wrote this on January 15, 1975? Was that a permanent vacation he was on—a year's sabbatical or something—that he had no knowledge?

The cynicism we can detect. This is a contentious issue in the public's mind. Day care has become a subject of sharp controversy and we can replace it by something else. That's what really gets me. You don't give a damn about day care. What you are simply interested in doing is finding something to take its place. Surely to God—

Mr. Chairman: Mr. Martel, if you wish to address that remark to the one who made that statement I think you're correct. But if you direct it to the ministry as a whole, I think you're out of order.

Mr. Martel: Mr. Chairman, I can only suggest to you that it just goes along with what our opinion was yesterday, as we discussed day care. They are not serious about it. When it does become a contentious issue, someone suggests that the ministry proceed to develop another issue which will be as the memo says "less divisive", to provide focus for more harmonious undertakings.

Mr. Chairman: Yes; but, Mr. Martel, in being fair, which I think you want to be—

Mr. Martel: I'm always fair.

Mr. Chairman: —I think you would refer to the one who wrote the memo, the one who made those comments. You've heard the ministry people in this regard, and if you refer to those comments as being by the one who made that memo, I think you're being absolutely fair. But if you make them at large, as you seem to be doing, I think you're unfair. I simply point this out to you.

Mr. Martel: I don't think I'm doing it. I'm saying the ministry has obviously accepted some of this. I prefaced my remarks last evening by asking what the government was doing in respect to this matter, and it was indicated that a conference has been called for September of this year in Metro Toronto, to be followed with—

Mr. Chairman: Mr. Martel, again if you want to be fair, and if you want to make the comment that the ministry is such and such, that's another thing. But in referring to the subject of the memo as the ministry's point of

view, I think you're being wrong and slightly unfair.

Mr. Martel: I can only go by how strange it is, Mr. Chairman.

Mr. Chairman: I think you should keep the two things apart.

Mr. Martel: I look at this and I see a suggestion being made that you can water down the other issue if you call a conference on child abuse. You can pretend to the public that you're really concerned with child abuse, when what is being suggested in this memo is that you make an issue out of child abuse which will defuse the other one. That's cynicism at its worst, in my opinion.

To top it all off, we then have a conference called for Toronto. I'm sure that was eventually going to be one of the one-a-day announcements. It would show up as that I'm sure, one-a-day. The smaller ones are going to be in a variety of communities throughout the province, as I understood it last evening.

Hon. Mr. Brunelle: Yes, in 1976.

Mr. Martel: And 1975?

Hon. Mr. Brunelle: No. Mr. McLellan can correct me, but I think he said that these regional conferences were to be next year, in 1976.

Mr. Martel: I think he also said in the latter part of 1975. I haven't checked Hansard.

Where does someone get the right in government—and I don't care who it is—to make that type of suggestion? Damn it all, you should turf somebody out for that. If somebody's that cynical that he can write a memo and say: "Look, we can get rid of this issue by creating another one"; then, first, you're not serious about the second issue. At least the person who makes those suggestions isn't. He's not serious about dealing with child abuse. It isn't in that individual's mind.

I say to you that a person who thinks like that is perverse in his thinking and should be turfed out the door. There's no place for the type of suggestion that we will use child abuse—if we're concerned with child abuse—as a scapegoat to water down the issues surrounding the contentious issues of daycare services.

As I say, I can only link the two together and believe—and all of us can believe what we want to believe—that the government accepted that suggestion and proceeded to call the conference, based on this. Maybe you've got some documentation which you can present

to me which will change my mind. I'm open to having my mind changed. It had better be documented, otherwise I have no alternative but to believe the government went for this. If it did, then those who are responsible for doing it stand as condemned as the guy who wrote it; as does the minister, who is ultimately responsible if he allows that sort of thing to go on.

It offends my sensibilities, Mr. Minister, it really does. It offends me. I don't know what it does for you to have someone on your staff who could suggest that; but I want to tell you, Mr. Minister, you should get rid of him, like today.

Hon. Mr. Brunelle: Mr. Chairman, the hon. member knows this was brought to our attention, I believe, at 10:25 p.m. last night. This morning there was an all-morning meeting—and you attended—so I haven't had time to see this memorandum. I am to look into it. But as was indicated by Mr. McLellan, we have had interim reports for the last three years on the question of child abuse. It is not a new subject; it is one that we are very concerned with. I would be pleased to look into the whole question of this memorandum.

Mr. Martel: I would hope so, Mr. Minister, because I don't think we as legislators can allow individuals who make this type of suggestion to remain anywhere near government. I am sure you will have to agree that it is in bad taste. It is the worst type of taste possible, that type of suggestion.

I am going to use Miss Crittenden—it goes on—it mentions Miss Crittenden. Let me give you another quote. The thing offends me all the way down the line.

It is suggested here that child abuse or child battering supplies such a focus for political action. It is also suggested that such initiative by this ministry, particularly since the first woman deputy minister in any provincial government is a key figure, would be highly advantageous.

You wonder about the individual who wrote it and you wonder about those people who received the memo. Did those people who received the memo say: "Wait a minute, it doesn't operate that way"? Or does it operate that way? That's what I have to ask myself. I would hope it doesn't, but I have to ask myself: Does it operate that way?

They use the deputy minister. She is the first woman to be deputy minister, and they will make her a political tool. Surely to God, if the Tories are right in their assessment, civil servants aren't supposed to have that role as

they, Mr. Minister? It's your government that insists on it.

Hon. Mr. Brunelle: This person is not a civil servant, Mr. Chairman.

Mr. Martel: I don't care what he is.

Hon. Mr. Brunelle: He is a consultant on contract.

Mr. Martel: He is paid by this government; and people in your ministry received that notice. It would be interesting to know what they did once they received this memo. Mr. McLellan, what was your gut reaction—if I might ask—once you received this memo?

Mr. Chairman: Mr. McLellan.

Mr. McLellan: Mr. Chairman, to repeat, this memo was part of a planning process that had been in force well prior to the receipt of the memo. The interests of the committee were in the specific proposals relating to conferences and seminars, and it was that aspect of the proposal we dealt with as a committee.

Mr. Martel: No, but what is your reaction? When you receive a memo that is so perverse as that; that wants to draw in the deputy minister; wants to put it on a purely political basis to hide another issue or make it less contentious? What is your gut reaction to that? Maybe it is unfair to ask you. But it seems to me that it should prove offensive; unless of course that sort of thing is acceptable. Having never been on the other side of the Legislature, I am not in a position to know.

Mr. R. G. Eaton (Middlesex South): And not likely to.

Mr. Martel: Don't count on it; you are just one of the new boys around here, my friend. You have a little way to go.

Mr. R. Haggerty (Welland South): An overnight guest.

Mr. Martel: But, don't you find that offensive? Didn't you find that offensive as a memo, Mr. Minister?

Mr. Chairman: Mr. Minister.

Hon. Mr. Brunelle: It is certainly uncalled for.

Mr. R. S. Smith: It is a little more than uncalled for. I would like to ask Mr. McLellan why he did not report this to the deputy minister?

Miss Crittenden: May I speak to this, Mr. Chairman?

In reviewing what has happened about this memorandum, I want to make it very clear that I believe a deputy is quite responsible for all the activities in the ministry. The fact that stationery was not destroyed two years ago, before I became a deputy, at least I am not responsible for that.

However, there was an item put on our senior management meeting agenda regarding child abuse. I'm sorry I didn't actually read the memorandum. I didn't. As a matter of fact, it was discussed in the context of a conference. In fact I didn't see the memorandum until today.

I read it the same as you Mr. Martel, and I'm a little shocked too.

I also feel that it is rather unfair for this to be brought up again in the context of coming from the deputy's office, when I told you earlier today that I discovered there was no connection between the—

Mr. Martel: Right; I didn't repeat or say this afternoon that it came from the deputy minister's office, Miss Crittenden.

Miss Crittenden: I would like to bring up the fact that Mr. McLellan talked to the committee about having a conference. Go on further in this memo, as I have, and it says: "What's the objective of treating child abuse? What is the purpose?" Read that. It's very clear his purpose is to advise Mr. McLellan in connection with child abuse.

I'm not going to belabour the first part of the memorandum, because I'm very surprised at it. But look at the ensuing pages about the purpose of a conference, when we discuss whether it is a good thing to have a conference and how to carry it out. In point of fact, are you saying that you don't think we should take this attack on child abuse?

Mr. Martel: Not at all, not at all; I'm not suggesting that for a moment Miss Crittenden. What I'm suggesting is that—

Mr. R. S. Smith: That's a red herring.

Mr. Martel: You are right; first of all, that's a red herring. That's the hon. Mr. Davis' tactic; like yesterday when he said I didn't believe in planting trees and I was opposed to the Boy Scouts. That's the sort of question you asked me.

If one is going to suggest a conference, put a little meat on it. What's the motive for suggesting it? Once you say we should have a conference, you say here are the reasons.

What was the thing that moved the man to make the suggestion? Was it the worth of the

conference itself on child abuse? Or was it as he says: 1975 apparently will be an election year in Ontario. At such a time leadership initiative is of special importance. Imaginative initiatives are expected in the area of public concern. One such area is child welfare and child development. Day care has become a subject of sharp controversy. Something less contentious and divisive is needed to provide focus for more harmonious undertakings.

I can only ask you: What is it that prompts him to want to talk about child abuse and have a conference? Is he sincere about a conference on child welfare and child abuse; or is he trying to hide the issue, to water down the daycare issue in an election year? If the two things were in reverse, one might just say it would help the government. Had he gone to great pains to detail the whole thing and then said, as an added measure, it will water it down, okay; but he doesn't go that route, he goes the other route. He says, this is the reason why we should call a conference; it is an election year.

First of all, he's not a politician. He's paid by the government of Ontario, with taxpayers money. Is he an advisor to the Tory party?

Hon. Mr. Brunelle: The hon. member mentioned day care. We have a good programme in day care—

Mr. Martel: No, no.

Hon. Mr. Brunelle: We are proud of our accomplishments, and we certainly have nothing to hide in that area.

Mr. Martel: He didn't seem to think so, Mr. Minister. Do you want me to read the paragraph ahead of it, where he talks about leadership?

Hon. Mr. Brunelle: We can't be responsible for what others think. I'm just saying what we think, within our own ministry, on day care.

Mr. Chairman: Mr. Martel, I wonder if I might ask a question?

Mr. Martel: Yes.

Mr. Chairman: What prompted the memo? Was there some consideration of this sort of conference; was it being discussed among a group in the ministry prior to this memo being produced?

Mr. McLellan: Yes, Mr. Chairman. I had attempted to make the point earlier that this was the case, that there is a child abuse committee in the ministry, that Dr. Hendry is a member of the committee and that we had discussed on various occasions, going back as

early as November, 1973, planning for conferences as part of the ministry's thrust on child abuse. The result of our discussions and fact-finding in the province was that conferences and the interprofessional education and the community education that they would provide were a necessary and important initiative in this area; all experts involved in this to whom we have talked felt that way. Dr. Hendry's memo then arose out of these discussions.

Mr. Martel: Let me read you the rest, Mr. Chairman.

Mr. Chairman: Was there any other memo contributed from any other member of the child abuse committee?

Mr. McLellan: Mr. Martel has already mentioned one of the other memos, of which he has a copy, prepared by Danuta Barr, I believe.

Mr. Chairman: So there was more than one memo in regard to this discussion.

Mr. McLellan: Yes, that is true.

Mr. Martel: Let me read the rest of it so you can savour it, Mr. Chairman. We'll read the two paragraphs I've left out, because it is a straight political consideration. Let me tell you what it says. He entitles it, "Some Basic Assumptions." He writes:

On an earlier trip to Florida several years back I was lying on the beach soaking up the sun. My eyes were closed. Suddenly I felt sand being thrown up on my legs. Before I was able to raise myself to investigate what was happening, six or seven teenagers had run past. One straggler, however, a very fat boy, was trying to catch up with them. He was still close enough for me to read the words on the back of his blazer: "Don't follow me. I don't know where I am going."

While it may be true sometimes that a leader can't tell whether he is being chased or followed, it is of the utmost importance that a leader have a pretty clear idea of where he is going. This is particularly true in government.

You tell me it is not political. That's what bothers me. I'd have to be pretty naive when I read those statements to believe that he hasn't got a straight political concern. That's what bothers me.

It's not the red herring, Miss Crittenden. I couldn't think of a better thing to do than talk about child abuse and get some handle on where we are going. I have read this report and I am not that impressed by it. It's a start, but there is so much cynicism and it is so

obviously political. His whole thrust at the beginning is political. You know it and I know it.

Mr. Chairman, I said the other day in that question period that was going on, with respect to civil servants having a right in politics that you had to always be high enough in this government to be free of being fired for being a political servant or being politically motivated when you are in the civil service. In Sudbury, you fired a woman. You gave her a choice—quit or get out. She was a telephone receptionist for the Ministry of the Environment and head of the PC association. She was told get out or quit. Near the top, you get people like Don Martyn. He was with this ministry for four or five years and was one of the most widely known Tories in the province. It's okay for him. It's okay for Hendry, but not for the lowly civil servants though.

That is as political as hell, and you know it. It is the cynicism around here that galls me to no end, that we can make child abuse cover the day care issue. What in the hell are we talking about? The member for Nipissing wanted to ask him something.

Mr. R. S. Smith: I just have a few questions on this point.

Mr. Martel: It irritates me.

Mr. Chairman: Mr. Smith.

Mr. R. S. Smith: First of all, what I can't understand is when this memo was provided to the staff member, with this political inference that anybody could take out of it—as long as you can read, you can see it—why was that not reported to the deputy minister since it was on your stationery, or what purported to be your stationery? Why was it not reported then directly to the minister? I should hope the minister would have some type of control over this type of thing within the ministry.

Secondly, did the minister know that this conference was to be held? Were you involved in the planning of this conference at all? And is Dr. Hendry still with the ministry, and what is he being paid?

Hon. Mr. Brunelle: Dr. Hendry is still a consultant with the ministry. I could find out what his fee is; we'll get that information for you.

With reference to memorandums, I think the hon. member will appreciate that with a staff of about 10,000 employees, you wouldn't expect the minister to receive and read all the memorandums.

Mr. R. S. Smith: No, but memorandums that go back and forth at that level, and have such

political implications as this one has, I would think would be brought to the attention of the minister.

Hon. Mr. Brunelle: I wouldn't necessarily be involved until a decision was made to have a conference. And then the question would arise as to the funding and where it should be held. So I wouldn't—

Mr. R. S. Smith: In other words, you, as the minister, had nothing to do with any planning that was going into the conference to be held.

Hon. Mr. Brunelle: No. I was aware, of course, of the concern about child abuse that came up last year during our estimates.

Mr. R. S. Smith: Yes, I don't question that.

Hon. Mr. Brunelle: Maybe it came up the year before. Certainly it's an area in which we are very interested; an area which is Canada-wide. It was mentioned again at the federal-provincial conference two weeks ago.

Mr. R. S. Smith: Well, do you not believe that if a memorandum of this nature goes from one person to another at a certain level in your government—and it contains things like this—that they should be brought to your attention?

Hon. Mr. Brunelle: It's certainly an un-called-for memorandum. Certainly I wouldn't—

Mr. R. S. Smith: Yes, but I am speaking here to Mr. McLellan. I don't know if I can ask him directly or not. If he doesn't want to answer, that's fine. He has that prerogative.

Mr. Chairman: Place the question through me, sir.

Mr. R. S. Smith: Okay. I have tried to ask him three times now.

Mr. McLellan did you not feel you should bring this to the attention of your deputy minister, or the minister when you received that memorandum?

Mr. Chairman: Do you wish to reply Mr. McLellan?

Mr. McLellan: Mr. Chairman, my response to the member for Nipissing is similar, through you. The mandate of the committee was in relation to planning for child abuse initiatives in the ministry. I looked at this memorandum in terms of the proposal that was presented.

The rest of it did not, as I saw it, come within our concern. We had been planning conferences for months before this, and this was part of that process. As Miss Crittenden has said, it

was tabled with our senior management committee at the time the activities of the child abuse committee were presented to senior management committee for general approval. It was made available at that time.

Mr. R. S. Smith: Who is on the senior management committee?

Mr. Chairman: Do you wish to answer, Miss Crittenden?

Miss Crittenden: I am the chairman. Mr. Anderson, Mr. Gordon, Mr. McKnight are members; and Harry Willems and Dr. Farmer are observers. Mr. Capps is the secretary.

Mr. R. S. Smith: So this was made available to all of you people as well. In fact, the only one who didn't see it was the minister.

Mrs. M. Campbell (St. George): No, the deputy.

Miss Crittenden: I didn't read it, no. But then I want to make it quite clear, if I didn't read something that I should, it was because I didn't have a chance to read it, or didn't have time to read it.

But now, in reading it I want to make it clear that had I read it carefully, I would still have focused my attention on the comments that are made about the problem and the purpose of the conferences. I work in a political situation, but to the best of my ability have not been political in any activities. I suppose there isn't a week goes by that somebody doesn't write a letter and say: "I am a good Conservative. I would like such and such. I vote Conservative." Some of them write: "I vote Conservative and I want such and such." The same person writes the same day to the federal member and says: "I vote Liberal. Will you please do this?"

They all come back to me and I see them; so I don't pay that much attention to those things. I try to do my job as I should. I did not read this memo until this morning.

Mr. R. S. Smith: Okay, I'm not suggesting you did read it before this morning, but it was made available to all the people at the senior management level.

Miss Crittenden: I cannot tell whether anybody else read it either.

Mr. R. S. Smith: I should just like to point out to you, Miss Crittenden, that those letters which are written to you or somebody at the federal level which say a person is a good Liberal or a good Conservative are altogether different from a memo coming from a man

like Dr. Hendry. Let's not try to say they're not different.

Miss Crittenden: Mr. Smith, I'm not trying to say it isn't different. I'm merely pointing out that this part of the reading material, when you see this sort of thing you see in front of you, you discount it because you see it so often. You don't pay attention to that. You try to focus on the actual content and on what you're supposed to be doing. That's why, as I say, I still hadn't read it until this morning. When you read the latter part of the paper, I am quite sure that Mr. McLellan was also very impressed with some of the comments that Dr. Hendry was making.

Mr. Martel: I wonder how impressed he was with the first part though. He continues to fail to answer that. That's what bothers me. He skirts it very deliberately.

Mr. Chairman: I think, Mr. Martel, in all fairness, there are two types of political context in this memo. The first part is suggesting a political action or a political programme to be developed in a certain way. The second is political in the sense that it is about affairs of people. I think you are being slightly unfair to some of the civil servants in suggesting they are all political in the first context.

Dr. Hendry obviously is. It was obviously his memo and it's obviously his point of view. But it is unfair to suggest the others are paying attention to that first part in relation to what they have stated to you, that their concern and their involvement has been with the second part of the memo in regard to affairs of people.

Mr. R. S. Smith: I just have one further question. What does the minister intend to do with Dr. Hendry?

Hon. Mr. Brunelle: As I indicated earlier, I will obtain a copy of the memo. I will look into it and then I will make my decision.

I would like to add, Mr. Chairman, that this memo was sent to Mr. Gordon McLellan. Mr. McLellan has been with us for a number of years. He has dealt with many agencies, and if you contact any agencies or any public servants, I can assure you that Mr. McLellan's integrity and objectiveness are certainly not in question.

Mr. Martel: Nobody's questioning his abilities and what he has done.

Hon. Mr. Brunelle: This memorandum was written by a consultant. He was expressing his own views, as indicated by the chairman, in the earlier part of the memo. Miss Crittenden

has indicated that as far as it deals with the substance of the matter, with the question of child abuse, the purpose and so forth, this is a very constructive memorandum.

Mr. Martel: I've read it carefully. I'm not suggesting there is a lack.

I just can't understand it. Let me put it simply. I can't understand how a memo from one of your consultants can be so blatant in its suggestions and yet no one picks it up. No one draws it to the attention of either the minister or the deputy minister, and they've all had a look at it. As I learned that Mr. John Anderson was involved in it, and three or four other people, I have to question them too. Why didn't they draw this to your attention? Is that part of the ongoing procedure?

It relates to the other thing about civil servants in politics in Ontario. As I've said all along, the higher up you are, the easier it is to stay in and be a part of the game.

I got a letter the other day. It was sent to me inadvertently because my name is similar to somebody who is on the staff. I won't name him. He's in one of the ministries. It was the latest PC propaganda. It was mailed right to a government office. It's okay, that individual stays on because he is high enough up in the regime. Some poor civil servant at the bottom is turfed out if he is caught associating with politics, even with your own party. That's the stupidity of the whole thing. I believe there's a certain level, maybe, where people don't become involved politically; the saw off point is when you get confidential information, I guess. Your government has never recognized it. Yet you countenance, you allow, you tolerate everybody else at the top to be in on the act. It's not even a well kept secret any more that they are in.

We saw it during the debate on the Workmen's Compensation Board when what's-his-name kept saying: "I dragged ministers out of the bar and got them back for the votes." What was his name? Cauley or Cogley, or whatever his name was. I went over to the hearings. You've got to be high enough before your government doesn't take recognition of it or accept it.

That's right. You can shake your head, Mr. Minister, but it is going to be interesting to see what you do with Dr. Hendry on this one, if you shake your head. Because you know, a president of a New Democratic riding association was told as of last Friday "quit or you're finished." There's an old JP, 75 years of age, in Lincoln county who has been told to quit, get out. It will be interesting to see what you do here.

Mr. Chairman: Mr. Martel, could I ask a question or two of the minister and the deputy minister?

Mr. Martel: Sure.

Mr. Chairman: In this memo there is the suggestion that certain action be taken of a political nature in an election year. At that committee level of management, top level, was there any discussion or any credence given to that implication in the memo?

Mr. Martel: They are not going to admit to that, I'm sure.

Mr. Chairman: I'm simply asking if there was any planning toward the process or was there any discussion at that level on the implications of that?

Mr. R. S. Smith: The minister knew nothing about it.

Miss Crittenden: While I was present at the senior management that day, I was not present when this item was discussed. It was never discussed; no comment has ever been made to me about a political motive for a child abuse meeting. Mr. Anderson or one of the other deputies took over the chair and they can answer whether there was any other comment made.

Mr. Anderson: Unfortunately, Mr. Chairman, I can only say, in regard to child abuse that to the best of my knowledge there was never any discussion of this at senior management. Perhaps this is an indication of some lack of attention on my own part but if the recommendation was received with regard to child abuse presumably I acted on the recommendations of Mr. McLellan and his staff; I was not aware of the import of this particular letter.

I can only indicate, as Miss Crittenden has, that I would possibly have been more particularly concerned with the question of the category of research and the types of seminars to be held. As far as discussion of the point is concerned, I would be absolutely sure that the political recommendations were not taken into consideration because I have no recollection of that discussion at any meeting.

Mr. Chairman: Thank you very much.

Mr. R. S. Smith: Could I be told who the members of the child abuse committee are, so that we can all—

Mr. McLellan: Yes, Mr. Chairman, I am the chairman of the committee, and as I have said Dr. Hendry is a member. Dr. Jean James of the research branch is a member; Mrs. Danuta

Barr of my own division is a member; and Mrs. Elsie Etchen, of Mr. Anderson's programme delivery staff, is also a member. I believe that's the entire committee.

Mr. R. S. Smith: There are five then?

Mr. McLellan: Sorry; there's Ken McDonald, the director of children's services; my mistake.

Mr. R. S. Smith: There are four from within the ministry and two from without?

Mr. McLellan: No, they are all from within the ministry with the exception of Dr. Hendry, who is the consultant.

Mr. R. S. Smith: The second person you mentioned?

Mr. Martel: Yes, it was Dr. Hendry.

Mr. McLellan: No, Dr. James of the research branch is within the ministry.

Mr. Chairman: Mrs. Campbell, you wished to ask a question on this.

Mrs. Campbell: I would like to ask this question, but I would like, as the chairman has done, to separate what could be deemed to be a political thing, because I believe that if we breathe we are political. It's the partisan nature of it that I am concerned about. Was there any discussion of this nature at that committee level?

Mr. McLellan: Not that I can recall, Mrs. Campbell. The child abuse seminars were discussed over a period of months in the committee, and input from the committee members was invited. The proposals of Dr. Hendry were considered in the committee on their merits, and the proposal for seminars was presented to senior management committee on its merits. So when I say the initial part of the memorandum was not considered by me, this is simply the case. To repeat again, it was part of a process and planning that had been discussed from time to time, back some time.

Mrs. Campbell: Well Mr. Chairman, if I may just comment. It's a pretty sick situation from the point of view of the person who wrote the letter. I have also had concern about those people who would have seen it and who for one reason or another wouldn't react to it as a very poor, sick kind of document—at least the first portion of it as it has been read to us.

As we continue to discuss the matter of child abuse—I think most of us are concerned about that problem, and we are concerned in depth—the difficulty with this kind of a thing is that hanging over us is this feeling that there

may be some who are less than committed to an attempted resolution of that problem. And so the child is lost again in this kind of atmosphere.

Apart from the letter, which I couldn't possibly condone, is this very deep concern that I have with the child lost in an overt kind of partisan political approach by a person who is being paid at the cost of the taxpayers. And I am a little concerned that there hasn't been a greater reaction to that by members of the ministry than there has apparently been.

This does lead one to believe all sorts of suspicious things. Maybe these memos are so common that nobody pays any attention to them. It's difficult for us to assess it with the degree of objectivity that we should.

I would certainly like to be assured that this kind of thing will not be permitted to go on because it casts a cloud over all of us; not just your ministry, all of us who are participating in this legislative process. I, for one, don't want to be any part of that kind of thing.

I would hope before too long the minister would be in a position to make a definitive statement: (a) on the basis of this particular document; and (b) on the basis of any practise there may be within the ministry, of which I am quite sure he is not aware.

This point having been raised, I think I have to suggest the minister ought to make it his business to ascertain whether this is something which does go on and which no one pays too much attention to simply because it is so customary. I think that is a responsibility, Mr. Chairman, that I would feel is now imposed upon the minister himself.

Mr. Chairman: Mrs. Campbell, we have had the assurance of the minister that he will examine this. I can't answer for what he would do in regard to your request.

Hon. Mr. Brunelle: I would just like to reiterate what I said previously, Mr. Chairman, that this is not the type of memorandum I condone. I certainly will examine it.

It seems the member for Sudbury East gets all these memorandums. I'm sure if there had been similar ones, he would have brought them forward. This is the first, to my knowledge, so we can assure you we certainly don't support that type of preamble.

Mr. Martel: They show up in variety of ministries, though, don't they? That is the irony of it. They show up all over.

I have a file half a foot thick on various memorandums that have escaped the Ministry of Natural Resources over the years. It is the same type of memorandum. It just bothers me.

I have seen them over the signatures of Ministers of Health, Ministers of Natural Resources and Ministers of the Environment. These types of memorandums float around in this government.

Mr. Chairman: Mr. Martel, we have examined this one in great detail.

Mr. Martel: Yes, right.

Mr. Chairman: We have pursued it at great length and I simply say that we have a lot more things to examine in regard to the estimates.

Have you any further questions here on vote 2603?

Mr. Martel: Yes.

Mr. R. S. Smith: I would just like assurance from the minister that if, in fact, he is satisfied within the next day or two that Dr. Hendry did write this memorandum that Dr. Hendry will be removed from the services of the ministry and that it will be recommended to him that he have some kind of help.

Hon. Mr. Burnelle: Again, Mr. Chairman, I will obtain a copy of this memorandum, review it and then decide what action should be taken.

Mr. R. S. Smith: But you won't assure us, even if he did write this memorandum, that he will not be retained in the ministry?

Hon. Mr. Brunelle: No, at this stage I am not prepared to make that decision. I will, as I said earlier, review it and then make a decision as to whether any action is necessary or not.

Mr. Martel: Mr. Chairman, it is interesting. The minister has stated his position. He hasn't equivocated. He finds the memorandum repugnant. It is indeed unfortunate those people who received it and had it as a working document have not been so clairvoyant in their position. I can't leave it without saying that, because on four occasions I asked Mr. McLellan what he thought about it when he received it—what his gut reaction was. He wouldn't even tell us and that bothered me.

I'll leave it at that, Mr. Chairman. I am not making any accusations or any innuendo. I am just saying it bothers me as a person that, if you receive that, you don't even have a gut reaction to it. I'm sure all of us would have. I wasn't asking him to betray any confidence or to suggest that he followed that advice. I just wanted his own gut reaction. Does he abhor that sort of thing? That just bothers me.

Mr. Chairman: Mr. Martel, I think Mr. McLellan was very straightforward in his comment that the considerations with regard to the conference were the overriding considerations.

Mr. Martel: Right, he was very careful. I listened to him very carefully. He chose his words very carefully and told us it had nothing to do with it, and I accept his word for that. I am just saying I asked him for his gut reaction, though, too. And he wouldn't give it. That bothers me when you can't even say: "Look, I found that repulsive," as the minister did. The minister made no bones about it. He at least said: "We don't want that sort of thing." But I couldn't on four different occasions get that type of response. That bothers me; it really does.

Mr. E. P. Morningstar (Welland): You look worried.

Mr. Martel: You'd look worried. You don't even know what we're talking about, so it doesn't matter much.

Mr. Chairman: Would you like to say something with regard to what Mr. Martel has said?

Mr. McLellan: Yes, Mr. Chairman, I feel I should respond to that comment. I am not sure how. But I do recall that when Mr. Martel asked me the question I was looking to the chairman for an indication as to whether I should respond.

Mr. Martel: Sure you should.

Mr. McLellan: The minister at this point responded in my behalf.

Mr. Martel: Oh, I would prefer you do. I think you have a right to.

Mr. McLellan: Thank you.

Mr. Martel: I would not want to put you in a corner, let me put it that way. I think you should respond the way you want to my suggestion, and be frank about it. I don't want to put you where you feel you are being compromised.

Mr. Chairman: Nor does any other member of the committee.

Mr. Martel: That's right.

Mr. McLellan: I must say this, I think that Mr. Martel is jumping to conclusions if he has concluded from my remarks that I regard this kind of approach to social planning with equanimity. There is no question in my mind about how I feel about that. What I was trying to underline for this committee was the fact that

the process of planning had preceded this and continued following this, without influence by the type of the motivation that was proposed.

Mr. Martel: Okay.

Mr. McLellan: I think that's what I tried to say in my remarks. If it didn't come through I regret that, but I do want to set the record straight on this.

Mr. Martel: That's what I was trying to elicit from you too.

Mr. McLellan: I think the other point I should make is that Mrs. Campbell I believe concluded that the reason this was not taken immediately to the minister was that it's an everyday kind of document and I'd like again to—

Mr. Chairman: She did not; she disliked "to think such documents were commonplace," were her words I believe.

Mr. McLellan: Well I'm sorry if I misunderstood, but I'd clarify that point too.

Mrs. Campbell: I just took the position that I wondered why it wouldn't stand out as a sore thumb, and that it did cast a shadow over everyone; that perhaps this was a more frequent occurrence than this one case. I did not form any conclusions. You don't form conclusions without a little more evidence than that we have here.

Mr. Chairman: I think your position has been made clear, Mr. McLellan. Thank you very much.

Mr. McLellan: Fine, thank you.

Mr. Martel: I am delighted with Mr. McLellan's final response. That clarifies it.

I have a couple of other things I want to speak about. Mr. Minister, how much was spent last year on budgets for Children's Aid Societies? How much was the budget last year?

Hon. Mr. Brunelle: It's on page 35 in the book that you have. The estimate for the fiscal year 1974-1975 under the General Welfare Act was \$43,918,400.

Mr. Martel: Do you know how much you've spent yet, though?

Hon. Mr. Brunelle: Then there were supplementary estimates. Have we the total? Mr. Macdonald will give the total amount of these estimates, plus the supplementary.

Mr. J. K. Macdonald (Director, Children's Services): Mr. Chairman, that figure of \$43.9 million includes the supplementary estimates,

and virtually all of that money was spent. We are just balancing the books on the deficit-surplus positions of the 50 societies and it's going to break even. All of that money was spent on child welfare.

Mr. Martel: How much has been requested this year by the various agencies? Have you got a total figure on what the request was?

Mr. J. K. Macdonald: The total request on the ministry's share was \$57,943,000.

Mr. Martel: And that \$65 million is the total amount you're going to supply, I presume, to the Children's Aid Societies? They're going to get \$65 million?

Mr. J. K. Macdonald: Yes, Mr. Chairman. However, that \$65 million includes the cost of the increased government sharing at an 80-20 per cent sharing level.

Mr. Martel: Okay. But that's what I'm trying to arrive at. My understanding is that they're getting over \$5 million less than they requested—and I don't know how that occurred—that in fact you approved \$5 million less than they felt they had need of.

Hon. Mr. Brunelle: If I understand you correctly, you are saying that the amount that they have requested is less than the amount—

Mr. Martel: That you've approved.

Hon. Mr. Brunelle: Yes.

Mr. Martel: By \$5 million.

Hon. Mr. Brunelle: That could well be, yes.

Mr. Martel: But Mr. Macdonald told me they requested \$57.9 million and you told me that \$65 million has been approved.

Mr. R. S. Smith: That was before the adjustment.

Mr. Martel: No, it's not, Dick.

Mr. R. S. Smith: But they're requesting it.

Mr. Martel: No, but I understand their request was for \$5 million more than the ministry has agreed to give them. In fact, I'm told that they requested \$57 million—that was combining both—and that they're \$5 million shy. Now, I don't know if that's true or not.

Mr. J. K. Macdonald: Mr. Chairman, we have not as yet completed our total negotiations with the societies. The total estimates of the societies would exceed the total available at this point by approximately \$5 million. We

are not as yet sure what the actual negotiated level will be.

Mr. Martel: My understanding then is that in fact you are probably—and correct me if I'm wrong—in violation of your own Act. Is that right?

Mr. J. K. Macdonald: No.

Mr. Martel: You have to approve their budgets—what was it we went over during the consideration of the bill?—by the end of February, was it not?

Mr. J. K. Macdonald: We are operating under the 1974 Act. The new Act has not as yet been proclaimed. That Act requires that the societies submit their estimates to the ministry and the municipalities by the end of February, that the municipalities advise the ministry of their approval of the estimates by April 25, and that the minister subsequently approve the budget after the municipalities have themselves approved the estimates.

Mr. Martel: And how long do the municipalities have to indicate whether they accept the estimates?

Mr. J. K. Macdonald: The municipalities are required by the Act to submit their approval to the minister no later than April 25. Or they have an option at that point to request a review hearing.

Mr. Martel: But how long does the ministry then have to approve the budget and start getting the money out to them?

Mr. J. K. Macdonald: There is no specific time limit on the minister in terms of approving the final budget.

Mr. R. S. Smith: The best we could see here then is a guesstimate.

Mr. Martel: Gad, we are into the realm of—

Mr. J. K. Macdonald: If the municipality requests a review hearing, the minister has 10 days to call for that review hearing. The time limits are less specific after that.

Mr. Martel: Does that not get the Children's Aid Societies in a bit of a bind?

Mr. J. K. Macdonald: Yes, it does and that's why the bill was amended to provide more flexibility in timing and provide us with an earlier date if possible.

Mr. Martel: Wait a minute. We had to get that bill through so the minister could get the money out to the various groups by April 1.

Mr. Haggerty: It hasn't been proclaimed.

Mr. Martel: That's why that bill had to get through. Are you telling me that bill hasn't been proclaimed yet? That was the argument for the great haste in getting that bill through, you will recall.

Mrs. Campbell: It was terribly urgent.

Mr. Martel: The minister wanted to get that money into the communities.

Mr. R. S. Smith: Is there part of it that hasn't been proclaimed?

Hon. Mr. Brunelle: Yes.

Mr. D. Rutherford (Solicitor): The sections providing for the new rates are made retroactive to Jan. 1 and they are in force. Some of the other provisions relating to court procedures and everything will come in force when the bill is proclaimed.

Mr. Martel: What about the date for the allocation of funds and the time frames set out in that bill? I well recall that because the member for Ontario (Mr. Dymond) made a great pitch for it at the time.

Mr. Rutherford: There are some problems here because, of course, we are right in the middle of the submissions procedure. To have a change in the legislation relating to the procedures while the submissions are going on is going to create problems. The main thing is that the dates, the February date and the April 25 date, I think, are complied with. Then we can switch over to the more flexible limitations. Of course, next year the new procedures will apply.

Mr. Martel: Are you not in contravention then? I can't get straight in my own mind what part of the bill you are saying doesn't apply and which part does apply. That pertaining to dates, you've just indicated, does apply.

Mr. Rutherford: Until Bill 4 is proclaimed, the procedures for submitting the budgets will be governed by the original Act with the time limits Mr. Macdonald mentioned. The sections relating to the 80-20 formula have been made retroactive to Jan. 1 and they will apply for the whole of the calendar year 1975. Those two sections are in force now.

Mr. Martel: Again, maybe I'm obtuse, but I have a kind of a gnawing feeling that you've contravened this Act somewhere. I'm not a legal person but after yesterday's performance on day care I wouldn't find it difficult to believe you'd contravene the Act. My informa-

tion, let me tell you, is from within your staff, that you've contravened your own Act.

Mrs. Campbell: There must be more politicians on that staff!

Mr. Chairman: They have contact with politicians.

Mr. J. K. Macdonald: Mr. Chairman, we are not in contravention of the Act. The last date for submission of approvals by the municipalities was April 25, and we do not have all approvals from municipalities in. We can't act on budgets not approved by the municipalities. On all those budgets approved by the municipalities by April 25, as specified in the Act, we have either approved the estimate as submitted or we have gone back to the society to negotiate a variance which is the prerogative of the minister under the terms of the Act.

Mr. Martel: You say you haven't got some, but all the societies are supposed to have their budget requests in by April 25. You say you haven't got them all?

Mr. J. K. Macdonald: The societies all have; they have to have theirs in by the end of February. The municipalities have to approve the societies' estimates by April 25 or they have to advise the minister that they request a review hearing.

Mr. Martel: Has that occurred or have you instances where you have neither?

Mr. J. K. Macdonald: We have instances where we have neither.

Mr. Martel: Oh, so that as we ferret it out a little more we find that we are having problems?

Mr. J. K. Macdonald: Yes, but the ministry is not in contravention of the Act.

Mr. Martel: It is, because it's allowing it to prevail. I don't know how you could go out and throttle someone and say, "Get your approval in," but by failing to have those in the Act has been contravened. Let's put it that way, if you will accept it that way.

Mr. J. K. Macdonald: Yes, the Act is being contravened by the delay in the submissions of municipal approvals.

Mr. Martel: So I wasn't so far wrong after all, was I?

Mr. R. S. Smith: The municipalities, though, are the ones in contravention.

Mr. J. K. Macdonald: Yes, that's my interpretation.

Mr. R. S. Smith: But on the other hand, we are looking at a figure here that may or may not be true; because you don't know if that \$65 million is what you are going to end up at or not. You really have no idea, because you haven't come to an agreement with the municipalities, or with the societies.

Mr. Chairman: Mr. Anderson.

Mr. J. G. Anderson (Assistant Deputy Minister, Programme Delivery): Mr. Chairman, it is true that this figure is an estimate of what will be approved. We are in negotiations with some of these societies. We have proposals which, if accepted by the societies, would make these figures valid. But, if a number of these societies objected to the reductions, resisted the reductions, if they went to a review procedure, and in the review procedure it was found that they should be awarded more money than has been provided, then presumably, the minister, if he approved those findings of the review board, would have to apply for supplementary estimates.

But this is an estimate of the amount of money that will be approved in those society budgets. Since they are subject to negotiation, the figure could be slightly high or it could be low. If we cannot come to terms with the societies, or if we are overruled by a board of review and upheld by the minister. So those are situations which would make this figure less than totally accurate, as in any other estimate.

Mr. Martel: Let me come back to it then.

Mr. R. S. Smith: Lots of estimates are a lot more definite than that.

Mr. Anderson: Well, yes, I am sorry—there are certain estimates in which you probably can be most precise; you can simply terminate services. But in a good number of our estimates, as in the case of income maintenance, if the situation indicates it must be provided for, they are open-ended in that sense. They can be overestimated so that there are major surpluses in certain years. There are intangibles in the income maintenance field, there are intangibles in this, until the budgets are actually approved. There can later be surpluses or deficits in these budgets even as approved by the province.

Mr. Martel: Let me go back at the figures then. I first asked how much was last year's—\$43 million; I then asked how much this year and it was said that they were requesting \$57 million. You indicated that in fact you were putting \$65 million in, and yet my information is that this falls \$5 million short of what was

requested initially. Was it through negotiation that that was cut down?

Mr. J. K. Macdonald: No, the shortfall is the difference between our original estimate of what we would need, which is here, and the estimates that we subsequently received from the societies, long after we submitted our own estimates, for their total expenses.

Mr. Martel: I don't understand it. You have got \$65 million down here.

Mr. J. K. Macdonald: Yes.

Mr. Martel: You said their request was for \$57 million.

Mr. J. K. Macdonald: Yes.

Mr. Martel: That means you have got \$8 million more than they requested.

Mr. J. K. Macdonald: Well, that \$65 million—I think I can piece it through—involves roughly an \$8 million provision for the change-over in the cost sharing, which would reduce it to \$57 million. It involves, I think, approximately \$1 million in expenses related to some capital provisions that we have, some prevention fund provisions that we have. I believe the child abuse provisions are there as well. So there is another \$1 million difference there.

Mr. Martel: I was really impressed with that figure, that \$65 million, when I first looked at it. I thought, wowee, they are finally going to give the Children's Aid Societies a much needed shot in the arm. My understanding is the Children's Aid Societies will not have much more in their overall operating budget this year as opposed to last year. Am I right in suggesting that? All the societies' overall operating budget for the province will not be much greater than they were last year, despite what looks to be there.

Mr. J. K. Macdonald: In the total percentage increase from this year over last year, provision has been made for approximately 16 per cent.

Mr. Martel: Does that 16 per cent take into consideration just the two things, inflation as well as the adjustment? Is that after the adjustment from 60 to 80 per cent or part of it?

Mr. J. K. Macdonald: That is prior to the adjustment from 60 to 80 per cent.

Mr. Martel: In fact, you are saying they will have a 16 per cent larger budget to operate from this year?

Mr. J. K. Macdonald: Yes. The adjustment has no effect on the individual society's total operating revenue. It's a change in cost-sharing.

Mr. Martel: I talked to some of them as late as today. They said they are no better off financially than they were last year in terms of offering anything extra and that this figure really wasn't what it appeared to be, an additional \$22 million in their operating budget. A major portion of that is simply a question of who is paying the tax. Before it was coming through the municipalities. You now collect it as a province and hand back to them 20 per cent more. In fact, the figure of \$22 million certainly isn't an indication of what the increase in the budgets for Children's Aid Societies is.

I forgot about that until today when I was speaking to some people. I was overwhelmed at your generosity, but obviously I was wrong. Your generosity isn't nearly as great as one would recognize it to be if you were simply looking at those two figures. If you take the 20 per cent out, there is not really that much there to do any imaginative work in that field.

I have two other things to do with Children's Aid, because I don't want to go over the stuff we went over this morning. I am trying to stay away from that.

The Training Schools Act has been changed by the Ministry of Correctional Services. Many of the children who were coming under that particular Act will end up now in the hands of the Children's Aid Society, I presume. What provisions have you made to assist the societies to accept those young people?

I well recall talking to the director of the Children's Aid Society in Sudbury. A strange thing was happening up there. Until last year, they were still incarcerating 12- and 13-year-old girls and boys, in the city of Sudbury, in the regular hoosegow. I have the statistics upstairs, so I know I am right. It has been cut down. What the Attorney General (Mr. Clement) has done is that he has said you can't put them in the jailhouse any more. They are ending up at the Children's Aid Society in Sudbury where they don't have the facilities or the wherewithal to cope with those young boys and those young girls who are in desperate trouble.

Obviously with the removal of section 8 I suppose we'll find that occurring at an even greater frequency. The societies aren't equipped to cope with it; maybe I'm wrong, maybe some are. In Sudbury they certainly aren't and what is going to happen?

Miss Crittenden: Mr. Chairman, a meeting had been arranged between me, the former

deputy of corrections and the present deputy of corrections to take place last week to discuss the timing of all the aspects of section 8. As you know, most judges haven't been using that section for about two years now so the admissions under that section have decreased very sharply. The number of children who are already in correctional institutions under that section has dropped very substantially since the judges have stopped using it.

There is a group of children who are still in the facilities operated by corrections which will become a responsibility of our ministry. The planning of that has to be between the Ministry of Correctional Services and us. The assurance has been given us that until we have complete plans made there will be no action taken.

There is, as you know, a difference in kinds of clientele in certain of the facilities under corrections. There are different kinds of treatment; they have a number of group homes and the staffs of the group homes, of course, at present are staffs of Correctional Services.

There are a lot of options here in the planning of this transfer because at the present the Ministry of Community and Social Services doesn't operate group homes. We operate large facilities but not group homes; but the Children's Aid Society operates group homes. The deeds for the group homes operated by corrections are held by the Ministry of Government Services. All these things are small details but taken together there are a lot of details which have to be worked out by the two ministries. Some of these decisions have to be made by the government before we can say to an individual Children's Aid Society, "We would like you to do this, that and the other thing." They all know we are planning together to try to make the transition as smooth as possible.

Mr. Martel: That's part of the concern I have. You are going to end up with some of these young people who are going to end up, when the detail is worked out, under the care of the Children's Aid Society. Their budgets are short now.

Miss Crittenden: The member for Sudbury will know the estimates of the other ministry have already been voted. It's the same as when we are taking a programme from Health. If it is voted in the other's estimates it is turned over to the other ministry as far as expenditures are concerned. That money has been voted to care for those children and I would doubt—

Mr. Martel: So there is a mechanism but has that mechanism been worked out yet?

Miss Crittenden: No. This is what we are working on now and we would have been working on it last week if it hadn't been for these estimates. That has to take place between the deputies to start the mechanisms. The participation of the Children's Aid Societies is only part of the process.

Mr. Martel: As I say that is worrying me to some extent, because we have to get that mechanism in place. As I say in Sudbury, for example, the Children's Aid Society is handling a lot of these kids and have been for the last couple of years. I wasn't aware until Mike Howorth had written me and written the Attorney General that until the middle of last year they were throwing 12-, 13- and 14-year-old kids in jail in Sudbury. They raised enough Cain—Mike Howorth and his group—with the Children's Aid Society, to their credit, and they got them out of the jail but they ended back on the Children's Aid Society's doorstep. They don't have the facilities to cope with the kids because some of them are most difficult and you can't put them in the same type of environment.

Mr. J. K. Macdonald: Mr. Martel, if I can just comment a little. The child welfare system and its programmes have been adjusting to the increasing demand placed on them by adolescents and particularly by children who no longer are being placed under section 8. Since the beginning of the year two new group homes were opened in Sudbury and another new group home will be opening before the end of the year as a response to the increasing demands for services to adolescent children with many different kinds of problems.

As to the total child welfare system, we estimate we'll be adding an additional 400 group-residential beds to that particular system, primarily for adolescent children.

Mr. Martel: Okay, fine. The final point I want to raise is am I right in assuming that in this province 10-year-olds can be legally left in charge of a certain number of children during the day? I understand that as the result of fires three coroners' juries in 1974 and 1975 condemned the practice, but there have been no changes in the law to have this eliminated.

Mr. Chairman: Shall we ask Mr. Macdonald to answer that?

Mr. J. K. Macdonald: The law specifically states that a child under 10 cannot be left unattended. It does not say that a child can be left in the attendance of a 10-year-old.

Mr. Martel: But conversely it doesn't prevent that from occurring legally. I'm told the

practice is that at 11 years they can take care of up to four children of that age.

Mr. J. K. Macdonald: No, there's no law saying that a 10-year-old can take care of any children under the age of 10. The law is silent on the age at which a person can be left in charge of children.

Any action to be taken under the law would be taken under the protection sections of the law. In any given circumstances, leaving four young children with a 10-year-old, is a protection situation and intervention should take place. But the law itself is silent on what really is a babysitting age. There's no legal age for babysitting.

Mr. Chairman: Mr. McLellan, do you wish to add to that?

Mr. McLellan: My comments, Mr. Chairman, would have been along similar lines, except to add this comment, that that section is frequently misinterpreted along the lines that the member suggests. And that is unfortunate. It seems to me it is an area that we do need to clarify in some fashion. Because many people do feel that because the law says that, well then it's okay to leave a 10-year-old as a babysitter. Of course, that's not our position.

Mr. Martel: I understand that it's being done—and I have no proof, but it's being done—in homes where there are only five children. I have no proof of that except several letters which I've received from Metro Toronto in the past two or three months to suggest that that is occurring—that a 10- or 11-year-old is looking after three or four kids who should be in a day nursery. But because these families had approval—

I've had several letters to that effect and it bothers me. I really don't know if it's happening; I'm not making the allegation that it is. There have been several coroners' juries, I'm told, in 1974 and 1975, which have recommended that something be done to stiffen up that section of the law quite considerably. And nothing's been done to carry out the jury recommendations.

Mr. Anderson: Mr. Chairman, with regard to any allegations that children are being left in private home day care under the supervision of a 10-year-old, that would be outside of any provisions under the Child Welfare Act for neglect. That would be a question of inspection and approval of that as a foster home for any kind of programme under the private home day care situation. But I guess it is one of those situations that is almost impossible to control.

What is the care and supervision of a child? Would you legislate against a 10-year-old child taking another six-year-old child, brother or sister, to school? The child is in the care and custody of the other child, presumably on the way to school, through heavy traffic situations. It is a situation that occurs every day.

There are obviously unfortunate accidents that occur but many a mother wouldn't think there was anything particularly reprehensible about leaving a 10-year-old child and an eight-year-old child in the home while she went to the grocery store. But these are the kinds of situations that from time to time do occur or do create tragedies, and then the mother is made to look very bad, very neglectful in the eyes of the public when it is a situation that occurs readily in most families at all income levels.

I think in Toronto you see any number of children down around the city hall, down in Eaton's and Simpsons, where the older of the two children is obviously under 10, but presumably has the care and custody of the other child.

Mr. Martel: You are right. I don't know how you would enforce it anyway. But when a 10-year-old is attempting to look after three or four children, then it becomes a real problem. I know my own children go to school together; and they take the youngest one along with them. I know it's done regularly. I just have a concern about the tremendous amount of responsibility that is put on a youngster of 10, say, who is regularly responsible for three or four others. That is a problem, as I say. As I understand it, there have been a number of recommendations about this from coroners' juries. I don't know how one attacks the problem, but obviously it—

Mr. Chairman: Mr. Haggerty? You said that was your final point, Mr. Martel—

Mr. Martel: No, just on this. I have a couple of others. Don't jump the gun. Don't panic.

There is a report on multi-service centres that was prepared in the ministry by a Mr.—his name escapes me for the time being. What has happened to that multi-service centre report?

Hon. Mr. Brunelle: There was an interim report prepared on the multi-service centres, and it was submitted to our policy field. That's the right place for it to go.

Mr. Martel: It has never seen the light of day though, has it?

Hon. Mr. Brunelle: No, it was an interim report.

Mr. Martel: Oh. Do you think it will ever see the light of day?

Hon. Mr. Brunelle: Certainly.

Mr. Martel: When?

Hon. Mr. Brunelle: It was an interim report and one that will require additional information before being re-submitted to the policy field. We are currently funding, as the hon. member knows, some multi-service centres.

Mr. Martel: What did that report recommend?

Hon. Mr. Brunelle: Mr. Anderson mentions that there is a paper available, which we would be glad to make available.

Mr. Martel: Which one is that?

Mr. Anderson: The committee that has been meeting with regard to multi-service and multi-function centres has completed a position paper which has been discussed in the ministry and which Mr. Willems has been authorized to distribute today. He could perhaps speak to it more directly if you would like to question him personally on it.

Hon. Mr. Brunelle: Mr. Willems, could you highlight some of the features of this report?

Mr. H. A. Willems (Executive Director, Western Area): Last summer, under the research branch auspices, we did a survey of multi-service centres in Ontario, which was a study of the various multi-service enterprises in Ontario, and that is available for distribution and I am sure some of you may have seen it. It is in yellow paper with the brown binder.

As a result of our study of the multi-service centres, the ministry set up a committee that looked at the problem of multi-service centres, we looked at the options that other provinces had used in terms of approaching this problem of co-ordination. As a result of that study, the background position paper that is now being distributed was developed. Appendix A of this highlights those criteria that we think are useful to the successful operation of a multi-service centre, and it is based on our own experience in Ontario and it is also based on the experience of other provinces in this area.

Mr. Chairman: Any further questions?

Mr. Martel: Yes, I am trying to find out if this report indicates how many multi-service centres they should establish in the province.

Mr. Willems: The essence of our report is that various provinces have taken positions on multi-service without having gone through the experience of developing several prototypes. Our proposal here in this background paper is that we should quite carefully develop the common data base out of which we would hopefully encourage various prototypes. We would evaluate the various prototypes in terms of what evidence they show, and subsequent to that experience in terms of evaluation—and as the minister indicated, we have already been funding several of these—on the basis of our experience we would then come back for a definite position.

Mr. Martel: Yes, but you don't have a number then? There is no number recommended? A specific number?

Hon. Mr. Brunelle: Of prototypes.

Mr. Martel: Not numerical. What about the amount of money that was recommended? It it \$171,000?

Hon. Mr. Brunelle: In our estimates, \$325,000.

Mr. Martel: How much?

Hon. Mr. Brunelle: It's \$325,000.

Mr. Martel: Yes. You are going to start five, I believe, am I not right?

Hon. Mr. Brunelle: Yes, that's right, five first.

Mr. Martel: I have another working paper, Mr. Minister, that is an interesting little paper. It came out of the ministry. It hasn't seen the light of day either. Let me read what it says; it's a summary of recommendations. You see, I am not being dealt with very honestly and I don't like that.

It says at the top, the summary page: "The problem, the background, the alternatives, the recommendation, the implementations." Those are the five items on the agenda. On the recommendation for capital it is \$1,165,000 for 30 multi-service centres. It is very specific. It says:

Recommendation: Accept alternative 4 and provide \$6,690,000 over a four-year period, or \$1,165,000 for the fiscal year 1975-76, to support a maximum of 30 multi-service centres across the province, with the Ministry of Community and Social Services acting as co-ordinating agent for the provincial government; the experience gained from these prototypes to serve as a basis for government policy.

That's vastly different than what I've just been told.

Mr. Chairman: Mr. Anderson, I think, will comment.

Mr. Martel: Right, go ahead.

Mr. Anderson: Mr. Chairman, there are quite often numbers of working papers that are produced and recommendations that are made by members of staff. Not all of them are accepted. This obviously is one of the recommendations that was not accepted, I think for some of the reasons that Mr. Willems just indicated. Some group of people working on this as a theoretical study simply said they believed that what we should undertake was approximately, or definitely, 30—I have no idea of the exact wording—

Mr. Martel: It was 30 exactly—I know that very well.

Mr. Anderson: —spread around the province in different allocations. But then according to Mr. Willems' subsequent report, what has been suggested is that a number of provinces have gone into multi-service centres, multi-functional centres, without totally assessing them. Our recommendation was made for a more modest attempt at initial movement into the field.

Mr. Martel: I have several points, Mr. Anderson.

This was a working paper that was rejected because you couldn't get the funds for it. It was done by Mr.—

Mr. Anderson: Brown?

Mr. Martel: Geoff Brown, that's right. As I understand it, his working paper was supposed to form the basis for policy implementation. When the recommendation was made that there be 30, it was because five across the province simply wouldn't do the job to give you the type of prototypes which were suggested in order for the government to make an assessment.

As I understand it, from the contacts I have in the area, what you have suggested is not really multi-service centres at all. You are talking about multi-agencies, I guess, all in one building, sky-high. You can bring all of the people into them and they are supposed to find their way around them themselves without any co-ordination at all.

In other words, all your proposal is to put a variety of government offices from a variety of government ministries into the same building and call it multi-service. If that's what your

intention is, you are wasting your money and you are wasting your time.

Hon. Mr. Brunelle: You should consult your colleague.

Mr. Martel: The member for York South (Mr. MacDonald)?

Hon. Mr. Brunelle: Yes.

Mr. Martel: Yes, I know.

Hon. Mr. Brunelle: He'll tell you that this concept has worked exceedingly well in North York.

Mr. Martel: No, it is not working exceedingly well. That's from my own contacts with people who are volunteers in the field, of course.

More important, in Quebec, the system has become a monster which they can't control. They put all the offices in the same building, but have done nothing to co-ordinate what goes on with the client in that building.

Sure it would be simpler if you had all the government offices in the building and you were co-ordinating them. We heard it this morning, when Mr. Anderson commented as we talked about it. He smiled at that stage of the game, or I smiled and he knew what I was thinking.

Mr. Chairman: That would be impossible.

Mr. Martel: He was aware of it. I think he agreed. He must agree.

If this is what you are planning then it's a waste of money. Surely to God we realize that when we deal with people who are on welfare, who are having problems, in many instances the multi-services concept has to be grassroots, dealing with those people at the level they are capable of being dealt with. You can take someone to the Rockefeller building and point it out to them and say, "There it is." But they are going to be afraid even to enter the doors. If I understand what you people are planning that's what it is.

I talked to Dr. Williams at great length. We are trying to convince Dr. Williams in Sudbury to give us two or three field workers who would co-ordinate the problems of the various families who have more than one problem, and most of the families on welfare have more than one problem.

What we talked about was co-ordinating to ensure, if the family had to be seen for an OHIP claim or rehabilitation for the mother or the father or six or seven other problems, that someone would be directing that family

and looking at the total family need once and for all. If you think that simply by putting a bunch of offices in a building it's going to work out by itself, I think you are whistling up the creek.

Mr. Anderson: Mr. Chairman, I don't think we have one definite positive thought of any particular system working. We are talking about options between multi-service, multi-functional centres, the question of whether one worker can be everything to a group of people in some smaller community.

Mr. Martel: No.

Mr. Anderson: I realize you may disagree. But in some smaller areas where services are very sparse, a worker may have to be far less specialized than in an area where a concentration of services and a concentration of problems may permit a more specialized approach.

Mr. Martel: Tell me why? My only concern about having a worker there—in the Sudbury one, for example—is that we have assurances that there are about 20 agencies which will work together. We have a psychiatrist, Dr. Ward, from the sanatorium, we have people from the university, we have legal people who volunteered—several judges—plus all of the government agencies. We have the setting, the building. We want to have two or three field workers who will bring on any given afternoon for a specific family the six or seven agencies that might be necessary to deal with that family. In other words, we don't want to send them running around from pillar to post. We want to make sure that somebody co-ordinates the effort so that the total family need is being looked at.

I am not suggesting for a moment that one field worker can do it. I don't think it's possible. I don't think you could have that amount of expertise in one individual. What you have got to have if you are going to rely on volunteer people, is at least a basic core in the multi-service centre which is going to take the total family as a unit and bring in the various groups which can help that family to resolve its problems. I don't think we can just let it happen. It is not going to just happen. That's what I understand is happening in Quebec, and that's why it's becoming such a monster.

We are not getting our dollar's worth because we are not giving them enough service. Nobody deals with the total family. That's what was said again this morning by people who are far more expert in the field than I am. We had our second meeting with Dr. Williams this year. We met with him last year over it

and we couldn't get across what we were trying to try out.

We brought Dr. Ward along this year. He's an eminent fellow with tremendous roots in the community. Of course, we have a tendency to look to him because he is older than the rest of us upstarts. We finally got the message through as to what we are trying to get at. But it hasn't come down through here obviously.

I don't want a one-field worker. I don't think you can train a field worker, if he spent 20 years in school, to cope with all of the problems that would be forthcoming. Nobody has that amount of expertise. Some of it is medical, some of it is legal, some of it is educational. Somehow you have to integrate what's being offered. All we are asking those field workers to do is to do the co-ordinating.

You say you want to offer some prototypes. What are you talking about, two of each? That's all you've got funding for. What type of determination is that? Everything flies in the face of this other recommendation. If you are going to do pilot projects, you are going to do all of five of them in Ontario. Whereabouts? You have two that are—let me see the terminology you use—two that are multi-service and two that are multi-functional. What type of comparison have you got? You don't even have them split, one dealing with problems related to northern Ontario and how they involve the Indian community? Come on.

You know that you have flown in the face of the report that was prepared by Mr. Brown. You have come in with a watered-down version. In fact, I am told it was agreed that without 30 you were wasting your money, because you really weren't going to get a valid comparison. You can't take one in Metro Toronto and one in a small farming community; that's two right there. But you have only got two in that one type, either multi-service or multi-functional. Where do you take the other two? It's simply ridiculous. You are doing some window-dressing, that's all, because you can't get a comparison. The problems in the farming community aren't the problems in Metro Toronto, and the problems of northern Ontario aren't the problems of southern Ontario.

How do you make the necessary comparisons to determine what government policy is going to be? You know you are not doing that. You have got a lot of superficial stuff—not even; a lot, a very small amount—but you can comfort yourself, if anybody questions you; and say, "Oh yes, we have got the prototypes" and all the jargon that goes with it. But you have got virtually nothing.

I am sure my friend from Algoma-Manitoulin (Mr. Lane) could use one type on the

island to help his Indian community; there is a large Indian population on the island that could be used. There isn't the same sort of problem there as one would find in Cabbagetown in Toronto. You don't even have enough projects to determine if they are viable. What do you base your government policy on? It just ain't there.

Mr. Morningstar: Would it be possible to hear a reply to that, Mr. Chairman? That is quite a statement, you know.

Mr. Chairman: Do you wish to reply, Mr. Willems?

Mr. Willems: Certainly the question of integration of services is a rather crucial one. There is no question about it. On page 7 of our report we have identified some of the options that are crucial to doing an assessment of what is the best way of co-ordinating or integrating the services in a community.

There is the question of the auspices they are under, whether it is public, municipal or private. There is the question of accountability as it reflects a multi-functional or a multi-service approach, because those two are quite different; various endeavours have gone one way or the other, without conclusive evidence.

There is also the question of environment, whether it is rural or urban; our hope is that through this we will essentially try to address the question of the rural environment primarily, because, let's face it, in the city there are opportunities for agencies to get together and share their budgets—more than there are in some of the others. That's not necessarily to say that the multi-service centre is not possible.

What we have discovered as a result of our study is that the most crucial element in the success is the amount of planning that a community does in preparation for setting up of a multi-service centre. In other words, the planning of it, and the involvement of consumers and volunteers, are key issues to the success of either a multi-service or a multi-functional centre.

The other key to the success of such centres is the intake and tracking system that the agency uses, in the sense that there is a common intake data basis that the various systems use in looking at what happens to that person.

In looking at this year's endeavour, we felt it was crucial to pay significant attention to these findings. Our own report was based on a major evaluation study done in the U.S. on 38 multi-service centres. We used that, in addition to our own observation, in coming up

with our own position that before we go too far we should permit and encourage communities to plan together. The joint planning, I think, is the key to success.

Mr. Martel: Mr. Willems, we have been planning in Sudbury for three years. We have got the agreement signed by the various agencies that would work together. We have volunteers, professional people, coming out our ears. What we haven't got, because we don't have a Red Feather—or whatever you want to call it—is the money to put two or three people in to follow the work of coordinating the needs of the families that are most desperate; because that is what we want to test. We want to take the toughest cases, because we think there is tremendous potential if you deal with saving that total family—and our system isn't doing it. It just isn't. It doesn't even do it for those who have only a few problems.

Mr. Chairman: I wonder, Mr. Martel, if the gentleman could tell us if there is anything for the Sudbury area; anyone working on the problem that you raised in this programme.

Mr. Willems: Our report did not focus on specific situations, as such, in the province. It focused on the exploration of the centres in Ontario. As a result of that, we developed our own position in terms of what kind of projects ought to be funded, rather than where.

Mr. Martel: Did you look at the Quebec one?

Mr. Willems: Yes we did.

Mr. Martel: And you are not happy with that—I presume.

Mr. Willems: We felt as a result of our experience in Quebec—and some of us went there to look at it—that this was not the route to recommend for Ontario.

Mr. Martel: That is not in line of the multi-service centre but, in fact, just getting them all in one building—is it not?

Mr. Willems: I wouldn't say it is necessarily getting them in one building, but it is more in a—

Mr. Martel: All right, within walking distance of each other.

Mr. Willems: Our own feeling was—and I wouldn't want to reflect on the position of Quebec—our own position was that we ought to do more evaluation before we went into that kind of endeavour in Ontario.

Mr. Martel: What happened to Mr. Brown's paper?

Mr. Willems: Mr. Brown was a member of a committee, rather than the author of any one report. The members on the—

Mr. Martel: He has a report, a very lengthy report. I have it, by the way, and Mr. Brown would be surprised to learn I have it. But I have it—a wonderful 25-page document. It tells me how much money is being requested. I have the entire document, you see.

Mr. Willems: But he was not the author of that report. If the members are interested, in developing this position we tried to cut across the programme delivery development lines. We had two district directors on our committee—Mr. Hamilton from London, Mr. Horricks from Ottawa. We had Bryce Harper from research, Jeff Brown from community services division—at that time—and myself on the committee that developed various proposals.

Mr. Martel: Well, what happened to this paper then? It just went by the board? I am just looking at it very quickly—but it is much more detailed than what you have presented to me.

Mr. Willems: As Mr. Anderson indicated, a lot of proposals are developed in anticipation of what ought to be a response. As far as I am concerned, it is up to the ministry and the policy field to make their decisions as to what ought to be.

Mr. Martel: Right, and I am saying that what happened is that the recommendation in these reports, the one that I, let's say—can I use the term “blame” Mr. Brown for presenting—the ministry didn't accept that. It was too expensive.

Mr. Anderson: Mr. Chairman, I don't challenge for a minute the factor of cost as being an element in the rejection of the proposal. But there is also the question of whether or not, in terms of this kind of service, there would be adequate capabilities to evaluate 30 different proposals and programmes going on throughout the province at the same time, notwithstanding that the report might, in itself, have indicated how that evaluation should go on. As you mentioned, with regard to the meeting earlier today, one of the crucial aspects in any kind of proposal to measure effectiveness is a proper measurement of evaluation.

Mr. Martel: Right.

Mr. Anderson: Now, whether or not this ministry could evaluate 30 new constructions

of multi-service centres—and I don't mean constructions in the sense of buildings, but I mean constructing an administration or a service and evaluate them over a one-year period, and to create 30 within a year and do that evaluation properly was something that obviously was not accepted. The alternative, of a lesser proposal for evaluation or for testing, was the one that was looked at.

Mr. Martel: But what you're doing though, Mr. Anderson, let's say you make three of them multi-service prototypes, and two multi-functional; you really don't have the basis of an assessment either, do you?

Mr. Anderson: Well, I think if you—

Mr. Martel: As a good researcher you wouldn't suggest that if you had two you make a comparison. What type of comparison? I'm not a planner either, but I don't suspect that if you had two that you could make a viable comparison. There's just not enough meat on the bones, so to speak.

Mr. Anderson: I don't think, Mr. Chairman, you really need two to test the proposal. If you came up with what you considered to be—and this is, again, not consistent with any report—if you came up with a proposal to operate a centre and you could dedicate and concentrate in that centre the kinds of services you wanted, to test them for a year, you would establish the validity or the non-validity of that concept on its own merits. I would venture to say you could design that kind of centre for a rural or an urban centre, for an area in the slums of a major city, or for rural slums, or for the average suburban problems of any number of suburban communities not necessarily in the poverty sector. Any of these things can be tested on their own strength.

Mr. Martel: Yes, but it was Mr. Willems who said you were going to have prototypes so that you could make comparisons. I'm just picking up on what I was told a while ago. You can't have it both ways. You don't change the ground rules as we go along in this game.

Mr. Chairman: Well, we're now going for the 14th time around the same circle I think.

Mr. Martel: No, we're not. No, we're not. It's completely different.

Mr. Chairman: I'm not a researcher, but I have no trouble assessing that you've dominated practically the whole afternoon without giving any of your colleagues an opportunity to ask any questions. You see, I haven't got to have a whole bunch of numbers in that sense.

Mr. Martel: Well, I wouldn't want to give you too many numbers.

Mr. Chairman: You were complaining yesterday that you had no time to talk, but I think maybe you should proceed on another subject or you should—

Mr. Martel: I'll just finish this one up and I'll come back to it whenever I can get in.

Mr. Chairman: Yes, there are a lot of your colleagues with questions.

Mr. Martel: I want to say again, I think you had an opportunity to develop what I've been suggesting—and I'm an instant expert on this, I confess that.

Mr. Haggerty: You know what an expert is don't you? Someone who knows more and more about less and less all the time.

Mr. Martel: Yes, he's 50 miles away from home carrying a briefcase. Well, there are several definitions. I happen to be one. I'm 50 miles away from home carrying a briefcase.

Mr. Morningstar: That's quite a definition.

Mr. Martel: Carrying sandwiches in a briefcase. But it didn't take me very long to recognize that one of the major problems confronting people in this field was the lack of ability for people to have all of their problems dealt with once, and that the more difficulty they have the more they become destroyed as human beings in this lousy system of delivery of services that we've got. One can go back to the first year I was critic. I started to talk about that then. I continue to talk about it, and in four years we haven't moved a jot, really.

You have a first-rate paper which indicates very strongly what you should be doing but, like everything else in this ministry, it's watered down. You're not worried about people. You never worry about the people and there are so many areas.

I would suggest to you if we could just make this government realize that the only control over costs is going to be when you resolve people's problems at the beginning and you move to prevention, then you will find the bucks necessary to do the type of prevention work that's necessary at the outset and not until everything is of crisis proportions. You haven't done it here; you don't intend to do it.

When there are some in place which could go ahead and prove to you that it can be done, you can't even get a commitment out of the ministry for three workers. We have the volunteer professionals prepared to help but it falls

on its face for the funding for three full-time staff people. You can't ask one that's community oriented, with its roots in the community, for the whole thing to operate simply on volunteer service. That's simply ridiculous. There have to be people who are paid full-time, who can make it work, who can act as a catalyst.

What you say to us is no, we'll try two types; we'll water them down; we'll make a lousy comparison. You come out with a thing which isn't going to prove anything. You forget about the other papers there, which might be a little costly. Imagine, a cost of \$1,165,000. Mr. Anderson, in the budget, recently, we wrote off for one year on machinery the collecting of \$108 million in tax.

Mr. Chairman: It is unfair to ask him to comment.

Mr. Martel: Mr. Minister, we couldn't find \$1,165,000 or \$6,690,000 over four years to develop 30 multi-service centres to see if we could breakdown the poor delivery service which exists. Yet in less than that, we give back to the corporations \$108 million this year and in three years, we write off \$410 million. I wonder who matters more, machines or people?

Mr. Chairman: Mr. Martel, I think I pointed out to you before that this is a point you can make with the Treasurer (Mr. McKeough) in your budget address.

Mr. Martel: He is the minister who should be getting the moneys necessary to do this type of service. What is happening, Mr. Chairman, is the failure of this ministry to prevent. It's simply a bloody payout wicket. Everybody goes to get his cheque and there is no prevention; there is no rehabilitation; there's very little of that. You compare the amount of money in prevention and rehabilitation as opposed to payout, which doesn't help any of these people resolve any of their problems, and you would find that it was a disgrace.

We could test it for the sake of \$1,500,000. We could start on a base of that amount over the next four years. We could determine or find a way or make a start, hopefully, at finding a method whereby we would dissolve families' total problems once and for all. We don't do it. I pass.

Mr. Chairman: Mr. Haggerty, you have been waiting patiently.

Mr. Martel: That is what I did yesterday. I waited, though.

Mr. Haggerty: My remarks will relate to the maintenance of children and youth, and in particular the adoption agencies in the Province of Ontario. My main concern is, how many children are available for adoption in the Province of Ontario?

Hon. Mr. Brunelle: Mrs. Leach is our adoption co-ordinator. The majority of our children, as the hon. member knows, are older children. I shouldn't venture a guess, but I believe somewhere between 3,000 and 5,000 children are available for adoption.

Mrs. V. Leach (Adoption Co-ordinator): At any given time we have around 525 children who are available for adoption—who are legally free, and emotionally free, and ready for adoption. We have a lot more children who are wards of the Crown, but are not able to accept adoption as part of their future. They are older children, 16 and 17.

Mr. Haggerty: Are there any ages below 16—say 12 to 16 who are wards of the Crown?

Mrs. Leach: Oh, yes.

Mr. Haggerty: How many altogether in the province? I think last year there were some 14,000 children, if I can recall.

Mrs. Leach: There are.

Mr. Haggerty: Altogether?

Mrs. Leach: There are 13,718 children who are wards of the Crown.

Mr. J. K. Macdonald: Under one year there are 425; one to two years, 284; three to four years, 321; five to six years, 376; seven to nine years, 866; 10 to 12 years, 1,411; 13 to 15 years, 2,203; 16 to 17, 1,822; and 18 years of age and over, 13.

Mr. Haggerty: What is the main problem, that these youngster are not being adopted in the Province of Ontario? I know a number of people who have tried to adopt children in the Province of Ontario. I am sure, Mr. Minister, and through you, Mr. Chairman, that you received a letter from Rev. Robert Rolston in Fort Erie—I presented it to you that day. This is his concern—that there are a number of people in the Province of Ontario who want to adopt children and yet they are finding many difficulties. In many cases they are going outside the Province of Ontario—to Saskatchewan, Newfoundland and other areas—to bring in children to the Province of Ontario. Now why must this continue? What is the reason for it?

Mrs. Leach: It is because they are asking for babies. Of the figures that Mr. Macdonald was reading you, many of those children are already on adoption probation while they are still wards of the Crown, and many of them are in adoption homes. When a child becomes a ward of the Crown, within six months the agencies are required to tell us what they have done about adoption planning for such children. Some, in a period of six months, have not yet separated from their family, and need a lot of work before they can consider a substitute family. Others have such problems that the workers want to help them before they are ready for adoption—perhaps medical problems.

We do a follow-up on every child within six months after he is a ward of the Crown, and do a computer printout of these children for the children's aid societies. It is very hard to get families to accept children who are slow learners, who have physical problems, who have six brothers and sisters attached to them, or who are retarded—although through our programmes we have placed five Downs syndrome children on adoption, and many children with a good many handicaps.

The children who are not ready for adoption we put into a computer list called "indefinite", and our field supervisors visit the agencies and we have a conference on all the children who are in the "indefinite" category and decide at that time whether they should move from there into the "adoption" category where they are put on the list of available children. Some children are considered unadoptable for good.

Mr. Haggerty: How many persons now have made applications to adopt children in the Province of Ontario—regardless of what age, it could be six months to 10 or 12 years? How many made applications now that are waiting for approval?

Mrs. Leach: We have over 2,000 families who are approved, and the families who are going to Newfoundland and to Saskatchewan and to other provinces are doing so with the co-operation and knowledge of our ministry.

Mr. Haggerty: But why must they go outside the province?

Mrs. Leach: Because they are asking for very young children.

Mr. Haggerty: No, I can recall an instance that I am aware of where I think both the girl and the boy were about seven and nine years of age. Like I said, I know of particular cases where the parents would like to take them at almost any age. How effective is the advertising—you see it in every newspaper throughout

the Province of Ontario—that relates to child adoption? How effective is that and what is the cost involved?

Hon. Mr. Brunelle: Today's Child? I believe that is published free by 56 or 57 newspapers across the country and there is no charge.

Mrs. Leach: Twenty-three daily papers carry it and 155 weekly papers, plus the Catholic Register, the black newspaper, the Polish newspaper and other ethnic press. And 79 per cent of the children who appear in that column are placed. We don't know how many other children are placed as an indirect result of it.

Mr. Haggerty: If you have 79 per cent of those children placed in homes, surely you would have some reduction in the number of children in the Province of Ontario waiting for adoption? It is almost the same as it was last year; around 14,000 young children looking for adoptive parents.

Mrs. Leach: No, the 14,000 children are not looking for adoptive parents.

Mr. Haggerty: No, I think last year it was around 14,000. Perhaps some of the children will not be accepted as adopted children.

Mrs. Leach: Roughly 7,000 are wards of the Crown, but 500 are children for whom we have used every resource. We have had them on our adoption exchange bulletin, which goes not only to our 58 Children's Aid Societies in this province but to every other province and the two territories. We also have all our families who are waiting for children registered with us, and they are on our bulletin too; not all of them every month, but a certain number of them every month. That is perhaps one of the reasons there are children coming in from other provinces too, because other provinces have responded to our approved families appearance in our publication.

Mr. Haggerty: How long is it that you hold off on a person who makes an application to adopt a child, say for some medical reason? I can think of a particular case where a person had at one time attempted to commit suicide in his younger days; but now he is 32 years of age, he has a good position working in a hospital in United States but lives over here in Canada, he is a Canadian and has a great responsibility in the hospital. For some reason he has been honest and happened to put down on the application form that background; and his family was denied the right to adopt a child.

Just how long do you hold that against a person? Do you think you should continue a grievance of that sort against this person?

Mrs. Leach: I don't think I can answer that without knowing more about the particular case. The approval of families is the responsibility of the Children's Aid Society. I know we get a great many letters from would-be adopters who state their case to us, but when we explore it with the society we find there is much more to it than has been shared with us in a letter. Sometimes that is the case.

I think the whole basis of social work is that people can change. It isn't what problems they have had in their lives but how they have coped with the problems that perhaps helps people strengthen in growth, and the total assessment of where these people are today would be taken into consideration.

Mr. Haggerty: In the foster care programme that you have, some of these youngsters—there may be three, four or five of them—can be placed in a home with foster parents and they can be there for maybe one to two years or three years. Why is it that you can allow a child to be placed, under that system of responsibility, with the foster parents, and yet you can't seem to find other parents who want to adopt these children. I'm sure there are a number of persons who want to adopt children but maybe your foster care programme prohibits that final adoption.

Mrs. Leach: No, I don't think it does. The foster parents are advised when the children go in that they are wards of the Crown and are eligible for adoption. They may be considered along with others when it comes time actually to make a plan for such children.

We had a meeting at the Royal York Hotel, our adoption exchange meeting earlier this month, to which we invited 100 families and we gave them a slide showing available children. It was a good cross-section of the child population available for adoption.

It was interesting to note how many people were not responding to children. We didn't ask for a show of hands as we do in our exchange meetings with social workers because we thought this would be embarrassing for them. But we followed it up and there are not too many of these children that are going to be placed.

Mr. Haggerty: I suppose I should continue with the questioning. Of these 14,000, what is the reason about 7,000 are wards of the Crown? What is the reason for this? What has caused these youngsters to become wards of the

Crown? What is the main cause of it? Is it breakup in families or loss of both parents?

Mr. J. K. Macdonald: Mr. Chairman, it is difficult to speak to any central, main cause of children becoming Crown wards. They become Crown wards primarily because within the context of the child welfare system it's designed there should be protective intervention at some point, either as requested by the family or as requested by the community on behalf of the family. The Children's Aid Society, through the provisions of the Child Welfare Act, works with the family for up to two years to attempt to correct situations which may have caused the neglect or the reason for intervention in the first place. At the point that a child becomes a Crown ward it's usually on the basis that a decision is made that further work with the family would not totally correct the situation. There are a large variety of reasons why children come into care. I think I can break down some of these reasons if you would like me to.

Mr. Haggerty: Yes.

Mr. J. K. Macdonald: If I can use the 1974 statistics on why cases were opened—and I have it expressed in percentage terms—there was one per cent for drug addiction; eight per cent for alcohol problems; nine per cent for emotional disturbance of either the parents or the child; one per cent for mental retardation; four per cent for physical illness of either the parents or the child; less than one per cent for sexual offences involving either the parents or the children; 6 per cent for emotional rejection of the children by the parents; three per cent for lack of housing; less than one per cent for the imprisonment of parents; six per cent for lack of income; six per cent for lack of supervision by the parents; 11 per cent, which is the second highest percentage, for marital conflict between the parents; less than one per cent for lack of adequate medical care; two per cent for alleged abuse; four per cent for physical neglect; 16 per cent for behavioural problems of children; two per cent for children as offenders; one per cent on a court order requesting supervision; one per cent on the desertion of the children; and less than one per cent for orphans, children who have no parents.

Mr. Haggerty: One per cent would be orphans. Perhaps then, that goes back to what the member for Sudbury East said. He wondered what's going on with our social workers in this particular field.

If I can recall my days in county council, I think there were some 28 or 32 persons in-

volved with the Children's Aid Society in the former county of Welland. Being a member of that Children's Aid Society, I was a little bit alarmed at the number of persons employed in that particular field. I guess I haven't changed my viewpoint on it. I think that many of them are not doing the job they should in preventive work.

When you look down the list here you know—lack of medical attention; that's something that shouldn't be there at all. Lack of housing, three per cent; with all the money that is supposed to be spent on housing, yet you find that three per cent of our children are wards of the province through the lack of housing. It just doesn't make sense. Somebody is not doing their job. I suppose I can go down there—

Mr. H. C. Parrott (Oxford): That isn't three per cent of the children of the province, that is three per cent of the wards.

Mr. Haggerty: That's right, but it all adds up to the problem that they become wards of the state. For some reason I can't accept that. I think many of the social workers' programmes are not getting through to these families who are in dire need of assistance. I think the member for Sudbury East is quite right when he says somebody is not doing their job.

Perhaps it boils down to the fact there are many fields that are overlapping in community services and social services.

Going back to the Niagara region, I think that of the minister's staff who are there and the regional government which has a staff there, the Children's Aid Society which has a staff there. Surely there must be some co-operation between the three different groups there which I don't think exists. They exist when you raise the question, but that's about all that you can get.

I think someplace along the line you should be combining these services under one director. You've got to have a complete follow-up throughout the whole community to ensure that you know what the problem is with these persons. You know where they can be assisted or corrected. Then I think you wouldn't have the need for many of these children being wards of the province.

I know there is a report from the grand jury in the region now that they want new facilities for the Children's Aid Society in the new home in the Niagara South area—and perhaps another one for the Children's Aid Society in the St. Catharines area. There are problems there perhaps.

But I don't like to see us establishing these institutionalized buildings. I think the more

you can keep a youngster around the family—I think this is more important. That this will clear the problem.

For some reason, I don't think you are getting to the root of the problems causing breakups in the family. One of the problems is alcohol. It has been mentioned here, as was drugs. But I think alcohol is one of the biggest factors. I know from cases that have been brought to my attention there are many parents who leave their children at home on a Friday or Saturday night and they are into the local pub drinking until the late hours of the night. If we are going to bring in some control of alcohol, maybe we had better bring in hours for the hotels again, instead of letting them run until 2 o'clock or 3 o'clock in the morning, like some of them are allowed to do. If you really want to attack the problem—and I think you are going to have to do something about it because I don't know how long society can bear the cost that everybody else has to pick up. It's a big cost.

Hon. Mr. Brunelle: The whole meeting this morning, Mr. Chairman, was on prevention related to some of this—of keeping families together and preventing breakups. It's a very complex problem and there is certainly a need for more services, a rationalization of services.

Mr. Haggerty: But we haven't made any improvements in your programmes at all in the last six or seven years that I have sat here. And it seems to be mounting and multiplying year after year. And I think your records will indicate that. So I think we have all failed by it.

Hon. Mr. Brunelle: I think it was in this morning's paper that marriage breakups are increasing. The average now, I believe, is one in five, and it is increasing. And a lot of these mean a breakup in the families.

Mr. Martel: That's why I'm suggesting you need multi-service centres. Five of them. You're not doing anything to overcome it.

Hon. Mr. Brunelle: We have provided some assistance to your area.

Mr. Martel: Yes, \$2,000 counselling for the whole Sudbury area. I have the latest report on that which I'm going to get to in a little while, too.

Mr. Chairman: Mrs. Campbell, do you wish to pursue this one?

Mr. Martel: Go ahead, Margaret.

Mrs. Campbell: Yes, I wanted to ask of that 7,700, if I'm correct, I'm not clear how many of those are Crown wards who were never

intended to be adopted. I think the figure is distorted as we have it. Certainly, as I understand it, there are cases where Crown wardship has been granted at the request, for example, of a mother because the child is in such a condition as to require very extensive care. The mother is still in relationship with the child. Could I get that figure?

Mr. J. K. Macdonald: I think you're right, Mrs. Campbell. The trend is toward Crown wardships with access. I don't have figures on the number of access orders which have been granted with Crown wardship but we do have, for example, 318 Crown wards who are in the home of their parents. This is an increasing trend in which children are being discharged to their parents as a part of the plan even after Crown wardship.

We have also an increasing rate of turnover of children in care. We had 14,000 children at the beginning of last year; we admitted 11,000 and we discharged 11,900. We're finding these turnover factors are increasing and children are in care for a much shorter period of time than they were in the past.

Mr. Haggerty: What is the per diem rate, for a foster parent? What is the rate you allow for a foster parent to look after a child for a month? What is the monthly rate? Or the per diem rate?

Mr. J. K. Macdonald: It varies by age group.

Mr. Haggerty: From the low to the high then.

Mr. J. K. Macdonald: In 1974 it was a low of \$932 a year. By the way, the figures I'll be quoting are averages of a sample of 35 societies. The average foster care rate in 1974 for children under one year of age was \$932. The average for an adolescent, say at 12 years of age, was \$1,081. This is dollars per year foster care rate.

Mr. Martel: What year?

Mr. J. K. Macdonald: That was 1974.

Mr. Martel: How about for teenagers?

Mr. J. K. Macdonald: Teenagers? Now I'm talking the base rate; I'm not talking clothing allowances or spending money. I can give you the total cost as well, if you'd like.

Mr. Haggerty: That's what I want.

Mr. Martel: That would be nice.

Mr. J. K. Macdonald: Would you rather the accumulated cost?

For an infant under one year of age it is \$1,012; that includes clothing allowance. For adolescents, starting at age 12, it was \$1,285; at age 13, \$1,346; at age 14, \$1,544; at age 15, \$1,557; at age 16, \$1,646; at age 17, \$1,668; at age 18 it dropped off to \$1,613.

Mr. Haggerty: Say a family is under the Family Benefits Act; what do you allow the mother for looking after the child there? Is it \$45 or \$54 a month?

Mr. Anderson: I don't have the exact figures.

Mr. Martel: It's \$74, if I am right.

Mr. Anderson: Mr. Chairman, I thought Mr. Martel would mention that figure very quickly. If I am correct about this, I think it should be taken into consideration that this allowance does not include the family allowances which are available to the mother with her own child on the family benefits programme, so the \$75 in effect would become \$95—the figure that you are mentioning specifically. But then there would be variations, depending on whether it was the second, third, or fourth child in the family and the age of the child.

Mr. Martel: It would reduce, whereas if they were all on family benefits it would be the same amount.

Mr. Anderson: That is correct.

Mr. Chairman: Could I ask a question of the committee? Are there any further questions under services for children?

Mrs. Campbell: Yes.

Mr. Chairman: Is this a suitable place to break?

Mr. Morningstar: I would like to ask one question, Mr. Chairman.

Mr. Chairman: Is it a short one?

Mr. Morningstar: A very short one. Is there a certain age that prospective parents should be before they can adopt a child? Is there a limit to their age? I have had people who would give their eye teeth to adopt children and they have been told they are too old.

Mr. Haggerty: It's 35 years of age or something.

Mrs. Leach: Well, we try to have the difference between the child and the prospective parents as though the child might have been born to them.

Mr. Morningstar: What is that, please?

Mrs. Leach: We try to have the difference in age between the child and the prospective parents—

Mr. Morningstar: What about babies, for instance?

Mrs. Leach: Well, we wouldn't think that after 40, when we have a wide variety of would-be adopting parents for a baby, that we would want to place it with—

Mr. Morningstar: Under 40 would be all right?

Mrs. Leach: Well, I don't think you can cut off at the magic age of 40. It would depend on the baby, the baby's needs and the family.

Mr. Morningstar: I have people who would give their eye teeth to adopt children; they have had none of their own.

Mr. Chairman: Members of the committee, we will resume after question period on Thursday.

Mr. Martel: That is, if Billy hasn't pulled the plug.

Mrs. Campbell: Apart from anything of that sort, what arrangements are being made to compensate us for this time lost through no fault of the committee?

Mr. Chairman: What time is that?

Mrs. Campbell: Well, normally we would sit tonight. You know we have limitations on our

time, and it is normal for us to get that allowed to us in the event that we are still discussing estimates for the balance of the month.

Mr. Chairman: Well, I think it goes by sitting time. I don't think it has—

Mrs. Campbell: Pardon?

Mr. Chairman: I don't think it would be deducted.

Mrs. Campbell: Well, normally it is deducted, and I think we should request that we add tonight to the full estimates time.

Mr. Chairman: I don't think that is necessary.

An hon. member: I think it's the same time as the House.

Mrs. Campbell: No, excuse me. We have had that before, and we have been advised—for instance, in the committee we normally sit today and tonight. The fact that the cabinet can't be available is not the fault of the standing committee. Therefore, we should be entitled to have that period added to our time. We have had it before.

Mr. Chairman: It has happened before? Well, we will try to correct that then, Mrs. Campbell.

Mrs. Campbell: Thank you. That is all I am concerned about.

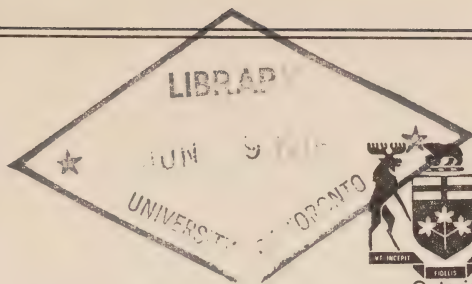
The committee adjourned at 6 o'clock, p.m.

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Chairman: Mr. R. G. Hodgson

OFFICIAL REPORT — DAILY EDITION

Fifth Session of the Twenty-Ninth Legislature

Thursday, May 15, 1975

Afternoon Session

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

THE QUEEN'S PRINTER
PARLIAMENT BUILDINGS, TORONTO
1975

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LEGISLATIVE ASSEMBLY OF ONTARIO

THURSDAY, MAY 15, 1975

The committee met at 3:18 o'clock, p.m.

ESTIMATES, MINISTRY OF COMMUNITY AND SOCIAL SERVICES (continued)

Mr. Chairman: Order, please. Mrs. Campbell.

On vote 2603:

Mrs. M. Campbell (St. George): Thank you, Mr. Chairman.

I have been asked to put this question to you. It is regarding the hold up by municipalities in approving authorization of glasses and hearing aids for recipients waiting for the criteria from this government on how payments for these are to be made. Apparently since your announcement there has been some confusion. The member for Welland South (Mr. Haggerty) asked me to place that question before you and if you wanted to deal with it at this point.

Mr. Chairman: Mr. Minister?

Hon. R. Brunelle (Minister of Community and Social Services): Yes, my announcement in the House 10 days ago was that glasses and hearing aids would be paid to recipients under the Family Benefits Act and under the GAINS programme as of July 1 of this year.

Mrs. Campbell: What are the criteria? Do the municipalities still do the testing or do they give approvals? Or are you doing it directly?

Mr. J. G. Anderson (Assistant Deputy Minister, Programme Delivery): Mr. Chairman, presumably until July 1 the municipalities would continue to provide those services, and not withhold them to save money in that 60-day period—really it is less than 60 days from now until then. Up to just a few minutes ago we have been meeting in our office with regard to the criteria—the policies we intend to establish. The staff is continuing with those discussions—the methods of making payments.

The municipalities will of course be continuing with their own programmes. We would not want to conflict with what they are doing

for the general welfare assistance situations in those areas. We don't want to provide a system which provides an altogether different standard within that area. At the same time, if their standards are not up to those we propose, then we will have to live with the problem of perhaps increasing their costs. We are working on that now. In the meantime, we are asking the municipalities to continue to the full extent of their past provisions for glasses and hearing aids.

We will have to negotiate with the Canadian Hearing Society, because they have an expertise in that field. After all, the range of people requiring hearing aids in any given period of time is not that extensive throughout Ontario, and they do certify the types of hearing aids that are provided as being the best for an individual. I hope we would be able to develop that association so they'll continue to give service to us as they have to the municipalities, and as they have to our rehabilitation branch.

Mrs. Campbell: Thank you, Mr. Chairman, I also wanted to get into the matter of child abuse. I want to look at the authenticity of any programme which you have. I suppose my concern is that again we seem to be looking at it from the viewpoint of conferences. I can remember confronting this situation as a member of the board of Metro Children's Aid back in about 1963 or 1964. I wonder why we haven't been able to make further inroads into this matter rather than further conferences.

I have before me the participants list of the Laidlaw Foundation child abuse seminar, held on April 25. You had people like Insp. Fern Alexander; you also had people from the Children's Aid Society. You had doctors from the child abuse team at the Hospital for Sick Children; you had lay therapists. Mr. Chairman, you even had a member of the opposition; not this member. You had members of the faculty of law, lawyers; people from the Hincks Treatment Centre, which is certainly well known.

I am very puzzled as to why we still have to continue with conferencing this very serious issue and why we're not prepared at least to move into some project support, particularly when there is a project under way in Toronto.

I suppose that's being parochial in the eyes of those who don't live here. I have no reason to say that it should be done here if, in fact, it is being investigated as actively in other areas. But, surely to goodness, when people are trying to involve the community in a programme, when they have at least come to—perhaps a conclusion is too definite a term—but certainly are of the opinion that this is a matter which requires support services for the family, rather than the simplistic approach of removing a child from the home because of this experience, I keep wondering why it takes us so long to move into areas as well defined as this one is.

I'm sure that we could sit here for the next 20 years and get from people all sorts of input that would vary greatly in scope and in approach. But I'm afraid I reach the conclusion that if we really want to do something about this, then we have to at least try to fund a project of one kind or another. I understand that in Burlington there is an excellent team working; I'm not familiar with them. Those are the two I'm aware of in Ontario. I'm aware of others in the rest of Canada.

It seems to me that whenever we want to do something in the social development field, we go on for 100 years conferencing and talking. We don't really try to put some money into some experimental work in the field. I can say that in my experience in the courts, when really all you had to work with was a separation of the child from the family home, it was a pretty tough situation. My experience was that the parents who I suppose you'd say were guilty of battering or something of that sort, were caring parents, on the whole. They were not vicious people, but their own experiences in society were such that there was an element of build up in that human being which created a crisis situation.

What I'm saying is that I'd like to see a commitment of this government for something other than money for more conferences. I'd like to have some statement from the ministry as to the value of the type of conference which was put together by the Laidlaw Foundation and which has expressed concern to the point of putting money into it, rather than conferencing exclusively.

I would have no objection to further conferences if in fact we were meeting at that time to review a project or to try to get an evaluation of a project. But as I say I'm sure, and I'm open to correction, I think it was in 1963 or 1964 that the Metro Children's Aid had workshops on the matter of child abuse. It's 1975 and this ministry is still conferencing.

I think I would like to have a further word on something that was opened by—

Mr. Chairman: Perhaps we would like to have a response from the minister.

Mrs. Campbell: Oh, all right.

Hon. Mr. Brunelle: Mr. Chairman, in reply to Mrs. Campbell, the subject of child abuse is a very complex subject, and one that does require considerable study. In view of the publicity that has been given to the memorandum that Mr. Martel raised on Monday night, I'd like to mention that part of this memorandum was read into the record but the latter part was not.

I'd like to mention that this was prepared by Dr. Hendry, who is one of Canada's outstanding leaders in the social field, well known in Ontario, in Canada and internationally. I would like to give a bit of his background because I think it has a bearing on this subject.

He was appointed in 1946 as full professor in the school of social work at the University of Toronto. He was appointed to succeed the late Harry M. Cassidy and remained director of that graduate school until his retirement in 1969. Since then he has served as ministry consultant to the Ministry of Community and Social Services of this government.

His leadership in his profession and in the community at large, both on this continent and far afield, covers a considerable range, and a few examples are noted here. He was a founder and the first president of the American Association for the Study of Group Work. He is one of the founders and first vice-presidents of the International Society for Community Development—

Mr. E. W. Martel (Sudbury East): A red herring.

Hon. Mr. Brunelle: —co-ordinator of studies and research for the American Camping Association; research associate for the White House Conference on Children and Democracy; and an officer and member on many boards, such as the Council on Social Work of Education, International Association of Schools of Social Work, and International Council on Social Welfare. During his latter period, he was president of the Canadian Council on Social Development; president of the Canadian Welfare Council; chairman of the Canadian Association for Training and Education for the Social Services; co-chairman with Madame Vanier, of the Canadian Conference on Christian Conscience and Poverty; adviser on long-range planning for the Canadian Red Cross Society;

and chairman of the committee for revision of the Child Welfare Act for the Province of Ontario.

Mr. Martel: What has that got to do with whether Hendry signed—

Hon. Mr. Brunelle: I didn't interrupt you when you were speaking.

Mr. Martel: What has that got to do with—

Mr. Chairman: Order, please.

Hon. Mr. Brunelle: Mr. Chairman, I have the floor.

Mr. J. H. Jessiman (Fort William): A little respect, big mouth.

Mr. Martel: What's that got to do with whether he signed a political document or not?

Mr. Chairman: Order, please.

Mr. G. Nixon (Dovercourt): Stop being a clown.

Mr. Martel: Good God, what's that? The guru of grunts?

Mr. Chairman: Order, order.

Hon. Mr. Brunelle: He was a member of the advisory committee of the Attorney General of Ontario on legal aid—

Mr. P. Taylor (Carleton East): Mr. Chairman, could I have a point of order, please?

Mr. Chairman: Yes, what is your point of order?

Mr. P. Taylor: Please correct me if I'm wrong, but I won't be long, Mr. Brunelle. The point you are objecting to about the reading of the memo in the House is that the impression was given in the House that there was a cynical choice, by the ministry or the government, of child abuse as a subject for attention at this time. Nobody ever questioned the credentials of the gentleman who wrote the memo, and I wish you'd get to the point of discussing why you chose to direct attention to child abuse at this time.

Hon. Mr. Brunelle: Yes, I am getting to it, if you can just bear with me—

Mr. Martel: He is using the same tack as Hendry is using.

Hon. Mr. Brunelle: —but I think this has a bearing on the credentials and outstanding ability—

Mr. P. Taylor: Mr. Minister, no one is questioning the credentials of the gentleman.

Mr. Chairman: Order please, I don't think that is the—

Mr. P. Taylor: He is using up valuable time to do nothing.

Mr. H. C. Parrott (Oxford): Oh, look who's talking.

Hon. Mr. Brunelle: Mr. Chairman, I can tell you that I have listened to—

Mr. Parrott: You and your friend.

Mr. G. Nixon: You're the biggest time waster in the House.

Mr. P. Taylor: Me?

Hon. Mr. Brunelle: I can't be accused of wasting time in this committee.

Mr. G. Nixon: Yes.

Mr. Chairman: Order, please, let the minister continue.

Hon. Mr. Brunelle: He was chairman of the Ontario division of the Canadian Mental Health Association, and consultant to the Council on World Pensions and the Institute on Man and Science.

In 1950, as the first Canadian recipient of the United Nations social welfare fellowship, he spent three months in Scandinavia studying social policy and citizen participation. His extensive report to the United Nations was later partially incorporated into the role of groups and world reconstruction.

From 1950 on, a variety of continuing international assignments took him around the world. A complete inventory of countries visited would run well over 60. Also, Mr. Chairman, he has written many publications and so forth.

Mr. Martel: The next thing you know you will tell us he is in favour of motherhood.

Hon. Mr. Brunelle: Now the hon. member for Sudbury East read into the record the preamble.

Mr. Jessiman: Out of context as usual.

Hon. Mr. Brunelle: I would like to read into the record the rest of this memorandum, which relates again to this whole matter of child abuse. And this has reference to the proposed conference.

Mr. Martel: What page are you starting on, so we will know?

Mr. A. Carruthers (Durham): Shame on you, terrible.

Hon. Mr. Brunelle: I am starting on page 2. Toward planning for more systematic consultation.

Two matters require preliminary consideration. The first can be stated simply by asking the question, what is the problem of child abuse? The second question to be settled is, what is our purpose, or our purposes in attempting to arrange a series of consultations, seminars, workshops or conferences to consider the problem?

Danuta Barr has helped us considerably by her thoughtful memorandum of June 14 entitled: "Definitions of Child Abuse: A Discussion Paper." Similarly, a report prepared by Paul Siemens on "Child Abuse—Central Registry," dated Dec. 11, 1974, has zeroed in most helpfully on a quite specific aspect of the problem which, however, ramifies in many directions. We are grateful also to Jean James for sharing with us a highly relevant paper prepared within the research branch by Stanley Loo on "Child Abuse Research" dated Dec. 23, 1974. I did not have these documents in hand when I prepared my own notes for this present memorandum, but I am certain that they will bear directly on our further discussions when my memorandum is distributed.

What is our problem?

I find that I jotted down 10 questions in thinking about this matter. Some of the questions are much more important than others, but I still set them down simply to show how my mind was working at the time.

1. What evidence do we have of the nature of the problem, its extent, seriousness; and what evidence do we have on the other hand of awareness of the problem? (a) in Ontario; (b) in other Canadian provinces; (c) in states of the United States; (d) in other jurisdictions in other parts of the world?

2. Which specific publics are most actively involved/concerned? (a) which professional groups; (b) which specialized group other than professional; (c) victims of child abuse; (d) child abusers or potential child abusers?

3. What principal theories have been advanced toward an understanding of the problem?

4. What research findings are now available?

5. What major efforts (both separate from and combined with research) are going forward to cope with the problem?

6. What redefinition of the problem is now made possible?

7. What approaches (models) now appear most promising in dealing with the problem?

8. What role in responsibility does the Ministry of Community and Social Services have in support of continuing efforts to deal with the problem?

9. How can the Ministry of Community and Social Services best share its role, responsibility and resources with other ministries within the Ontario government?

10. What are the programme implications of such an initiative both in terms of time and money?

What is our purpose?

Until we are quite clear of our purpose or purposes it will be impossible to design a project effectively.

Mr. Martel: Finding an alternative issue?

Hon. Mr. Brunelle: The memo continues:

We need to ask ourselves, therefore, which of the following or other purposes, single or in combination, represent our true aim in this undertaking:

1. To redefine the problem of child abuse in the light of the latest accumulative knowledge derived from both practice and research;

2. To identify the major blockages to more effective effort, again both in terms of service and of research;

3. To focus particularly on difficulties encountered where interprofessional and interdisciplinary co-operation is attempted;

4. To combine concern both for intervention (practice) and investigation (research);

5. To direct attention to the general public or to specific selection publics, scientific, professional, or otherwise;

6. To design the project(s) bearing in mind that a longer than usual dimension will be required.

Some strategy considerations:

In my view, there would be considerable merit in having a special advisory committee appointed to symbolize the importance attached to this project. A major purpose in doing so, would be to avoid extending undue visibility to any one of the major parties involved, such as medicine or social work, to name but two. One firm suggestion is that serious consideration be given to the appointment of a person such as Dr. Carlton Williams, president of the University of Western Ontario, as chairman. He is a social

psychologist of distinction in his own right as well as a successful and outstanding educational administrator.

One of the chief characteristics of a democracy is the importance attached to citizen participation. Governance ultimately depends on such participation. For this reason it is strongly recommended that maximum involvement of relevant voluntary groupings be emphasized.

In the first instance, agencies on the firing line, so to speak, should be encouraged and enabled to document a few typical cases of child abuse and to state what chiefly limits their effectiveness. In this category would be included:

Children's Aid Societies; family service agencies; juvenile and family courts; pediatric departments of hospitals; and certain other agencies.

In the second instance the professions most directly involved should be invited to co-operate in ways calculated to disclose their perception of their own role and responsibility and now they each perceive the role and responsibility of the other related professional groups: Ontario Medical Association (pediatrics); Ontario Nursing Association; Upper Canada Law Society; Ontario Association of Professional Social Workers; Ontario Teachers Association; and certain other professional groupings.

Thirdly, those with special research capability involved in the study of any aspect of child abuse should be asked to lend a hand in an appreciation of the problem and on evaluation of current attempts to deal with it:

Any research unit in, or directly connected with, Ontario universities would be included in this category. Clearly they should include the behavioural sciences, as well as the biological and medical sciences.

Finally, apart from any other categories that might be considered, it is essential that appropriate representation be ensured from each ministry of the Ontario government that is in any way engaged in any aspect of a child abuse problem:

The more obvious of these include: The Ministry of Health; the Ministry of Education; the Ministry of the Attorney General; the Ministry of Correctional Services; and the Ministry of Colleges and Universities.

My remaining points, under this heading of strategy, deal with possible sequences.

Although we have moved slowly in this committee we have done so with a clear mandate and with the knowledge and im-

plicit support of other related ministries. The consultations such as we have had to date have been highly informal. The stage has now been reached where more formal consultation is indicated:

1. As a member of the steering committee charged with the responsibility of producing a green paper on "Planning for Social Planning," I have been much impressed with the manner in which district directors and regional executives have reached out to consult and involve relevant agencies both public and private within their respective jurisdictions. We would do well to examine the process here involved and to see whether or not, and to what extent, it might be applicable in relation to our own special area of responsibility, i.e., child abuse. The consultations could be aimed at discovering what actually is being done locally, and by whom, in attempting to cope with child abuse, or in studying the problem and identifying the chief difficulties encountered.

2. A series of interprofessional and interdisciplinary seminars on child abuse might be organized and conducted, possibly with the co-operation of selected universities, in an attempt to redefine the problem; firstly, with reference to different approaches (models) of intervention, and secondly, with reference to more precise definition of the problem.

3. A conference or colloquium might then be held to examine and evaluate the results of 1 and 2, above, at the provincial level.

4. In addition to or in preference to the development of a printed report, it might be well to consider from the beginning the development of two videotapes based on the above three steps; one for use in universities, primarily for students preparing themselves for professional practice; and one for use with the general public, particularly for parent education purposes.

By way of conclusion:

Time and timing are of the essence in this kind of operation. There are some persons who are so actively alarmed by the problem that they have become almost fanatical in their zeal. The nature of the problem is such, however, that it requires a highly disciplined approach. The process itself cannot be unduly accelerated. We may well need to think of this whole process as requiring from three to five years. Certainly if we set our sights on completing the several steps that I have suggested within a matter of a few months or even within the calendar year of 1975, we may be quite unrealistic.

For obvious reasons I have not dealt with logistical questions or matters relating to the budget in this preliminary report.

This is signed by Charles E. Hendry.

I read that into the record, Mr. Chairman, because it does give an indication of the complexity of the problem, and how difficult it is to really come to grips with it.

Mrs. Campbell: Mr. Chairman, if I may, in view of that statement, I feel it incumbent upon me now to read into this record the participants at the Laidlaw Foundation child abuse seminar. Insp. Fern Alexander, youth bureau, Metro Toronto police department; Dr. Harry Bain, professor of pediatrics, University of Toronto; Dr. Robert Bates, pediatrician and director of child abuse team—child abuse team, I underline—Hospital for Sick Children; Mr. Terry Beck, social worker, Catholic Children's Aid Society of Metro Toronto; Mrs. Caye Campbell—to the best of my knowledge, no relation—chief social worker, Clarke Institute of Psychiatry; Mr. Gordon Cohen, social worker, child abuse team, Hospital for Sick Children; Mrs. Sheila Connell, lay therapist; Miss Louise D'Andrea, in-patient unit, Hospital for Sick Children; Mr. Donald Deacon, member of the provincial Legislature; Dr. Bernard Dickens, faculty of law, University of Toronto; Dr. Thomas Egan, director of ambulatory care, Hospital for Sick Children; Mr. Lee Ferrier, lawyer, MacDonald and Ferrier; Mrs. Nancy Hatley, Junior League; Dr. Charles Hendry, consultant, Ministry of Community and Social Services, Province of Ontario; Miss Mary Hogan, lawyer, Parkdale Legal Services; Dr. Angus Hood, director, C. M. Hincks Treatment Centre; Dr. Eric Hood, child psychiatrist, psychiatric services, provincial court, family division; Mrs. Marilyn Holland, social worker, Children's Aid Society of Metro Toronto; Dr. Margaret Hunter, pediatrician, Children's Aid Society of Metro Toronto; Mrs. Carolyn Jones, research associate, National Society for the Prevention of Cruelty to Children; Dr. Simon Kreindler, child psychiatrist, child abuse team, Hospital for Sick Children; Mr. Robert Kell, lay therapist; Dr. R. G. N. Laidlaw, president, Laidlaw Foundation; Mrs. Maggie Leitenberger, social worker, Children's Aid Society of Metro Toronto; Mr. Michael Mason, lawyer, Manning and Bruce; Mr. Gordon McLellan, executive director, social services division, Ministry of Community and Social Services, Province of Ontario; Dr. Klaus Minde, director of psychiatric research, Hospital for Sick Children; Mrs. Judy Myers, Hamilton and District Children's Aid Society. I have read two pages out of 3½ pages.

I am saying at this time that it is possible that the child abuse team at the Sick Children's Hospital which as you can see includes many types of discipline, may not be able to continue if there isn't adequate funding. All I'm saying is, instead of having somebody come in and chair some more committees, seminars or anything else, why at least don't we give to those who are actively working in the field, who are not hysterical, not emotional, but are indeed scientists in that sense—people with some objectivity who are trying to work with the problem as it exists and as it has been recognized to have existed for years? Perhaps if that were done, Mr. Chairman, then you could have your seminars to appraise or evaluate the work that was going on.

I just cannot for the life of me understand why we are back at stage 1 when there has been so much valuable work done, as I understand it, in Denver, in the Maritimes and in the west. Here is a case of a team trying to put into place something of the nature of the Denver experiment, which according to my information is successful, where you bring the—clinical sciences perhaps is the correct terminology—to bear, but at the same time you involve the community so that there can be support services.

I don't think anyone here would ever describe me as an hysterical person. I trust not. When I see this problem having been recognized so many years ago and having us, with all our consultants, simply say "More seminars" when we have active teams, I cannot, with the greatest respect, understand why, if we really care, we don't try something.

We may fail, and I recognize the fact that often we in the opposition are less than kind when you try and you fail. But in your ministry, Mr. Chairman to the minister, I don't think you have had any criticism from us because there have been so few initiatives taken. I deliberately opened my remarks without any reference to what had gone before; I have no wish to go back to that situation. But I ask you if you don't think it is time to look at something that is crying out for support financially with a team such as I have indicated here. If you feel that it is awful to put it into Toronto, for goodness sake investigate the one in Burlington—I'm sorry I don't have it. I'm not speaking from a partisan point of view or a parochial point of view. I am simply saying it is in place here and it may not be able to continue.

Hon. Mr. Brunelle: Mr. Chairman, I certainly appreciate Mrs. Campbell's remarks and the lists of those persons that she has read out—they are certainly outstanding leaders in their

field. My understanding is that this is a study for the Metro Toronto area and I am not aware that a request had been made to us for funding. Has any request been made to our ministry for funds on this?

Mrs. Campbell: There may not have been.

Hon. Mr. Brunelle: If not, we would be prepared to take a look at it. But our—

Mrs. Campbell: Shall I run out and call now? I'd be delighted to.

Hon. Mr. Brunelle: I am sure that they know our ministry. To my knowledge, I haven't been made aware of any request for funding to this—the Laidlaw Foundation, is it?

Mrs. Campbell: Oh, no. The Laidlaw Foundation has funded this project—

Hon. Mr. Brunelle: Yes, well, this group.

Mrs. Campbell: —and called a seminar together. Since I have indicated I wasn't present, I am only speaking on second-hand knowledge. I was merely showing that a team is in existence and I would like to see why we couldn't look at this project instead of having our seminars. Let's see what we can do to assist—if indeed it is necessary, as I understand it is—then have your seminars to evaluate. I would have much greater confidence at this point in time with that approach. I don't think, after all these years, it can be deemed that we are rushing into anything.

Hon. Mr. Brunelle: Our approach is province-wide, but it may well be that we could work in conjunction with this team that you have just outlined. I would like to mention also, Mrs. Campbell, that this question comes up at some of our federal-provincial conferences. As you know, it's of real concern in other jurisdictions. There have been other studies but it is one that does require, as outlined in Dr. Hendry's memorandum, considerable expertise from other ministries, from other disciplines.

Mrs. Campbell: Well, I wonder, Mr. Chairman, if Mr. McLellan, who was present, as I understand—

Hon. Mr. Brunelle: Yes.

Mrs. Campbell: —is able to tell us of any of the remarks from the Hospital for Sick Children that might indicate the seriousness of this problem as they see it. I would like to know what they see as the death rate related to this, as I believe there were statements on that. Could I get that if Mr. McLellan is able to give it to us?

Mr. G. McLellan (Executive Director, Social Services): Yes, Mr. Chairman, I would be glad to provide Mrs. Campbell with more information on this. I don't have the notes that I took on the day of the meeting.

There were several speakers and presentations. The Hospital for Sick Children presentation at the meeting was a presentation by Dr. Kreindler of the lay therapist programme that he has initiated and that works in conjunction with the total Hospital for Sick Children team. This is certainly an imaginative and successful approach that was most impressive to hear about.

The child abuse team at Sick Children's Hospital comprises Dr. Bates, Dr. Kreindler, and social workers, and Dr. Tom Egan, who was referred to as one of the seminar participants. The Children's Aid Society of Metro Toronto has a social worker on its staff who is stationed at the Sick Children's Hospital and functions there as a member of that team and as a continuing liaison with the Metro Children's Aid Society.

Dr. Bates has made a submission to the federal government for funding for a research project in connection with the work of the team and we have supported that application with a letter of support. We are certainly prepared to look at any further requests for funding to us.

I should mention, Mrs. Campbell, that I agree with your comments about the need to do more than conferencing. Our committee certainly agrees with that. We expect soon to be requesting proposals for pilot projects and we see a substantial amount of our funding as being used for this kind of thing. We're certainly not going to devote our total energies to conferences.

Further to this, I might make reference to the child abuse committee at the Metro Toronto Children's Aid Society, of which you may be aware. This also is a group that is doing excellent work and we are certainly supporting their efforts. I was at a conference in Detroit not long ago when that group made a presentation there and made a considerable impression in terms of the approach that they are taking to this problem.

I do appreciate your comments, too, about the Denver approach. It's certainly true that that work has become a kind of classic in child abuse work and that most of the projects now being developed are modelled, in one way or another, after the Denver approach. In any event, we will certainly be requesting proposals for demonstration projects and this will work in conjunction with the conferences

and several other activities that we're involved in.

Mrs. Campbell: I was inviting Mr. McLellan, through you, Mr. Chairman, to share with us any statements which were made, I believe by Dr. Bates, expressing his concern for the incidents in the Sick Children's Hospital. Do you recall those statements? I would think they would be vivid.

Mr. McLellan: I certainly do. I don't recall the particular statistics. I have notes on that but I don't recall the particular statistics.

Mrs. Campbell: Do you know how he rated this in reference to, for example, any deaths seen in the Sick Children's Hospital?

Mr. McLellan: He certainly drew to our attention the fact that a number of deaths occur in this. In terms of the overall deaths at the hospital, I don't recall him mentioning that figure.

Mrs. Campbell: I think, Mr. Chairman, I have made all the point I can make, and I'd be repetitive from here on in.

Mr. Chairman: Mr. Parrott. Finally.

Mr. Parrott: Not on this subject.

Mr. Chairman: Are you not on this subject? Mr. Smith then.

Mr. R. S. Smith (Nipissing): I am on this subject. Just a couple of points.

Mr. Chairman: All right. Your turn then, Mr. Martel.

Mr. R. S. Smith: Why has one of those people from the team from the hospital not been placed on that committee of six established within the ministry? Obviously they have been the ones in this province who have led in this field, and are providing whatever service and whatever research is being done. I find it very hard to understand how that team was overlooked when that committee was appointed within your ministry.

Mr. McLellan: Mr. Chairman, to Mr. Smith, on that, we have met with Dr. Bates and his team at Sick Children's Hospital to review jointly the work that we are doing. We have felt that the best way for us to operate was to keep in touch with the team there and to work co-operatively on endeavours. There are others across the province who are involved in this as well, and we feel it is necessary for us to maintain a province-wide focus.

We expect to continue to meet with groups like the Sick Children's group, the Metro To-

ronto Children's Aid Society group, Dr. Kreindler, and others from other communities as well.

Mr. R. S. Smith: But it is obvious that the specialists in the field are at that hospital. And in spite of the fact that you say you have a province-wide responsibility, how many of the people on your committee are from outside Metro Toronto?

Mr. McLellan: The ministry group is Toronto-based, yes.

Mr. R. S. Smith: That just refutes your argument that you are going outside of Metro Toronto, because basically the most expertise is available within that hospital team, I can't, for the life of me, see why it wasn't drawn upon as a member of your committee.

Miss D. Crittenden (Deputy Minister): Mr. Chairman, if I may speak to this point. The previous deputy minister established a ministerial study group on child abuse. And it is this group that is called the committee on child abuse. Mr. Eberlee wrote to inform every deputy minister in ministries that had a related interest—such as the deputy of Health, and the Attorney General—that we were establishing within our ministry a study group, and asked them if they would like to either participate or have a contact person in their ministry.

It is still our ministry staff study group. This could be expanded; there is nothing against that. It is just that the committee that was established by Mr. Eberlee to attack this problem was one of staff personnel from our ministry. And we invited other ministries to participate or provide contact people.

Mr. R. S. Smith: But other ministries did not provide you with appointees to the committee?

Mr. McLellan: No, they provided us with contact people we could meet and work with. We see the role of our committee, Mr. Smith, as a catalytic role, rather than a committee of experts. The complexity of this problem is considerable. The number of professions involved is considerable. We feel what we can do is make a contribution by helping communities and professional groups to work together.

Mr. R. S. Smith: I can understand the difference between that and a group going to move into the field itself. I can see that difference. But to be rather specific about it, I think that those people who had past experience—and the best past experience available I presume, in the province, is in that committee

from that hospital—would have certainly added to the proceedings of your committee.

I'm not going to argue all day about whether they should or shouldn't all have been appointed, nor am I going to go back, as my colleague from St. George said, to the previous statement, because I think we've had enough of that. The first two pages were enough for me. I don't think you can recoup by reading the last four pages. That is my opinion.

Mr. Chairman: Are you through with child abuse then, Mr. Smith?

Mr. R. S. Smith: Yes, that's all I have to say.

Mr. Chairman: Mr. Martel, have you anything to say?

Hon. Mr. Brunelle: I have a brief comment with reference to the remarks of the member for Nipissing. We certainly agree that in any large committee—and as Miss Crittenden mentioned initially it was our own staff, and then it became involved with other ministries—but on a province-wide committee certainly, representatives, professionals and doctors from the Hospital for Sick Children and others would be invited as members of the committee. It is certainly a very good suggestion.

Mr. R. S. Smith: The point my colleague also made was that you could committee this thing to death before you get anything off the ground. Obviously everybody else is going ahead and you people are still committeeing. There are projects in operation, not only at the hospital but at other places in the province too. I just think that it's time for the committee structure which seems to pervade our society be stopped in this specific instance and perhaps some active participation taken in the programmes that are going on.

Mr. Chairman: Mr. Martel, if you have anything on child abuse.

Mr. Martel: On the statement the minister made. I am going to be very brief. I find it a bit offensive that the minister gets up today and tries to deflect the issue. No one, for example, the other night questioned for a moment Dr. Hendry's abilities. Today, you get up and recite a whole litany of positions and capacities he held. No one questioned or gave the impression that he was not qualified. What we questioned was his comments with respect to being political and the right of people employed by the government, either as civil servants or in professional capacities, to be advisers—because we pay the shot. If they are employed to be, in fact, political hacks—that is what we were talking out. You can

soften it up and you can use a smokescreen, Mr. Minister. He started out by indicating that we needed to find a new issue to water down the daycare issue.

Mr. Chairman: Oh, I thought he started out from the sands.

Mr. Martel: He was on the sands and he was looking for leadership.

Mr. Chairman: I think there is a difference.

Mr. Martel: I'm not sure he was—

Hon. Mr. Brunelle: If you are inferring that in the ministry Dr. Hendry is a political hack, I think that is uncalled for and it is not true. He is an outstanding leader in the social field.

Mr. Martel: I didn't write the memo, by the way. He wrote the memo, didn't he?

Hon. Mr. Brunelle: He wrote the memo.

Mr. Martel: And he's the one who said that, this being an election year, we should use this to take the heat off day care, didn't he?

Mr. Chairman: Yes, but there was also something else he said.

Mr. Martel: We'll get to that, Mr. Chairman. We don't need your help.

Mr. Chairman: No, but I want to correct your one statement there. He wrote the report, but it was a preliminary draft.

Mr. Martel: What's that got to do with it?

Mr. Chairman: It's a very important distinction.

Mr. Martel: What's the distinction?

Mr. Chairman: Did he write another one properly?

Mr. Martel: The distinction is that he wrote the report and suggested we have a political manoeuvre to downgrade the daycare issue and you can't take away from that at all. It's in there.

Mr. Chairman: Yes, but I would like to know whether he submitted that report or whether he—

Mr. Martel: Obviously, he submitted it to Mr. McLellan.

Mr. Chairman: Was it this one or was it the other one, because it clearly states on the first page that it is a preliminary draft?

Mr. Martel: Oh, come on, what are you trying to do?

Mr. P. Taylor: Mr. Chairman, on a point of order.

Mr. Chairman: Yes Mr. Taylor.

Mr. P. Taylor: You are the chairman of this committee, is that correct?

Mr. Chairman: I hope I am.

Mr. Martel: Yes, he is the defence.

Mr. P. Taylor: I wonder about the propriety of you defending the ministry.

Mr. Chairman: I'm not defending the ministry.

Mr. P. Taylor: The ministry is quite capable of defending itself. Your job is to referee the proceedings.

Mr. Chairman: You're out of order, Mr. Taylor, because I'm not defending the ministry. I'm saying that the member is out of order because he was not stating clearly what had been in this—

Mr. P. Taylor: You never once suggested Mr. Martel was out of order, I beg your pardon.

Mr. Chairman: I was questioning his statement.

Mr. P. Taylor: You were defending the ministry, and that's not your role.

Mr. Chairman: I'm not defending the ministry. They're quite capable of doing that themselves.

Mr. Martel: It is so abundantly clear that he was trying to suggest that there be another issue to downgrade day care. You can deny it till hell freezes over, but that's what it says in black and white. You can pretend it doesn't, Mr. Minister. You can forget to read the first page, you can do anything you want, but it's there. And you can't change that.

I don't care if you read 600 pages of commendations on behalf of the man. If you want to read all his works, that still will not detract from the fact that he suggested we use this in an effort to downgrade day care. That's my concern.

Hon. Mr. Brunelle: Mr. Chairman, as has been mentioned before, the question of child abuse has been a concern of our ministry. It has been before us for the last two or three years. As far as day care is concerned, we have an outstanding record and we're proud of it.

Mr. Carruthers: Yes. No other jurisdiction has it.

Mr. Martel: Are you telling me that that isn't in that memo?

Hon. Mr. Brunelle: He did mention day care, yes.

Mr. Martel: Are you telling me that he didn't suggest we should downgrade or try to soften the reaction against day care?

Hon. Mr. Brunelle: You've read the memo. You're the one who brought it forward.

Mr. Martel: All right. Then don't come in here and try to postulate and pretend it isn't there.

Hon. Mr. Brunelle: I didn't. All I tried to do, Mr. Chairman, was to put things in their proper perspective.

Mr. Martel: By filibustering and—

Mr. Chairman: Order, please.

Hon. Mr. Brunelle: You've been holding this memo for the last two or three months trying to make political gain. You read just the first part. I thought I would read the rest of the memo to put things in their proper perspective.

Mr. Martel: Are you suggesting I didn't get the memo on Monday?

Hon. Mr. Brunelle: How long have you had that memo?

Mr. Martel: Monday, and I only raised it then.

Hon. Mr. Brunelle: You only received that memo on Monday?

Mr. Martel: I received that memo on Monday. That's right.

Mr. Parrott: From where?

Mr. Martel: I don't even know.

Mr. Chairman: I don't think the hon. member has to answer that.

Mr. Martel: I received it Monday.

Mr. Parrott: From your second office?

Mr. Chairman: Order, please.

Mr. Martel: No. If you want in a little while I can read you another document on day care which has never seen the light of day either.

Mr. Chairman: Mr. Martel, would you please proceed with the estimate?

Mr. Martel: It's only 89 or 90 pages long.

Mr. Chairman: Do you have further questions or comments to make on child abuse?

Mr. Martel: No. I just can't tolerate the minister's statement, trying to filibuster us this way.

Mr. Carruthers: Why not get out then?

Mr. Martel: Obviously, you're setting it up so you won't have to really question the man's integrity as to what he was attempting to do. You're softening the blow so you'll be able to eventually say, "You're a good boy, Charlie Brown, and you keep your retainer."

Hon. Mr. Brunelle: I just thought I'd set the record straight, Mr. Chairman—

Mr. Martel: No one disputed his ability.

Hon. Mr. Brunelle: —to mention this person's outstanding contribution—

Mr. Martel: A real smokescreen.

Hon. Mr. Brunelle: —and to read the entire memorandum. You read the first part. I thought I'd read the second part.

Mr. Martel: I quoted from certain parts of it on what he was saying. What it was was a smokescreen from the real issue. Was he being political or not? That's the real issue.

Hon. Mr. Brunelle: The real issue is to deal with the problem of child abuse. That is the issue.

Mr. Martel: The real issue is does someone hired by this government have that right to become political to that nature?

Mr. Carruthers: Oh, go on!

Mr. Chairman: Order, please.

Mr. Martel: Only if you're high enough up, eh?

Mr. Parrott: You need to see your shrink.

Mr. R. S. Smith: Dr. Hendry did not consider child abuse as of the first importance in his memo.

Mr. Martel: I can't afford to. He might tell me I need another soul.

Mr. R. S. Smith: It was secondary in that memo, if you read it.

Mr. Martel: That's right. It comes second.

Mr. Carruthers: You're burying your whole soul there.

Mr. Chairman: I think the opposition has pursued this to great length and made their point. Are there any further comments, Mr. Martel, on child abuse? If not, I'll go to Mr. Parrott for a new subject.

Mr. Martel: Let him.

Mr. Parrott: This is a concern that has a responsibility in two ministries. I don't know if it's one that fits here extremely well or not, but I'd like to have a few minutes on it.

When mentally retarded people are taken ill and are placed either in nursing homes or in our hospitals, is there any policy that would indicate there should be an isolation of those two sections of society? It's a very delicate question, and I appreciate this, but I think there is quite a difference between trying to mix the mentally retarded into our society on the street or a well community.

Mr. Chairman: You're in the next vote, Mr. Parrott.

Mr. Parrott: All right. I am not at all sure where that should come because it probably is as much a part of Health as it is of this ministry. Now, if you want it in the next vote, that's fine, I am prepared to wait until then.

Mr. Chairman: I think it would be better there, because I think the things you are talking about are related—

Mr. Parrott: I know it's not children, but certainly the same thing occurs in children. It could be raised, in my opinion, in many places, and if you want it in the next vote, that's fine. I do want to discuss it for a minute or two. Do you prefer it then?

Mr. Chairman: I would prefer it if you would, because I think the points are related to 2604 much more than they are to this vote. Mr. Smith?

Mr. R. S. Smith: Are we going on to the next vote?

Mr. Chairman: Well, if vote 2603 is carried.

Mr. R. S. Smith: I am finished with 2603.

Mr. Martel: I have a couple of items.

Mrs. Campbell: I have a couple on 2603, too.

Mr. Chairman: Mr. Martel, then.

Mrs. Campbell: All right.

Mr. R. S. Smith: I would like to be placed on the list for 2604, please.

Mr. Parrott: Is that first or second?

Mr. R. S. Smith: First.

Mr. Martel: I want to raise the difficulty of handicapped people getting around from place to place, particularly in respect to putting them in the workforce, if they want to. It seems to me that in the Saskatchewan Legislature they have a bill on transit allowance for the handicapped, where there will be assistance underwritten or provided for capital costs of rolling stock, if you want to call it that, to provide transportation for the handicapped. In other words if someone is going to provide transportation facilities for the handicapped then some of the burden of buying that type of equipment will be borne by the provincial government.

They are going to underwrite 50 per cent of the operating deficit and 75 per cent of the rolling stock purchased for special transit systems for the handicapped. What are we doing in Ontario to assist the increase of mobility of handicapped people to get to and from work?

Hon. Mr. Brunelle: Mr. Chairman, the matter that the member raises is certainly one that is important. There is a great need for transportation for the handicapped—the member referred to them going to work, quite true, and for other purposes, such as going shopping or for recreation and so forth.

At the present time, our policy is to fund, through homes for the aged, multiple-purpose vehicles that are used for the aged, and several communities also make them available for the handicapped. Also, as the hon. member knows, we provide individual assistance to those who are under either FBA or vocational rehabilitation.

But the whole question of a policy for transportation for the physically handicapped is one that our government has before it. The Ministry of Transportation and Communications, in conjunction with Metro Toronto, is funding a two-year study by Peat, Marwick, I think. It is one that I hope we will come to form a policy on. At the federal-provincial conference in Ottawa two weeks ago, the federal government indicated that they would, on a priority basis, provide assistance to provinces for the transportation of the elderly and the handicapped. This commands a very high priority. Perhaps Mr. Anderson or someone else may wish to comment additionally on this matter.

Mr. Anderson: Mr. Chairman, just to remind you, Mr. Brunelle, it is not just a study with Peat, Marwick. The agreement with Transportation and Communications is to underwrite a two-year pilot project for transporting a given number of people. The Toronto Transit

Commission solicited applications from a group of handicapped people, I think some 50 people in active employment, and they have underwritten a sort of dial-a-bus system for them for a two-year period to determine their transportation needs, both for work and recreation. It's that pilot project that I think the Ministry of Transportation and Communications are funding at 50 per cent over a two year period, that came out of the Peat, Marwick study and some work that was done at the Metro level.

Mr. Martel: The problem with the existing policy, of course, where you attach it to a nursing home, is areas that don't have nursing homes.

The city of Sudbury has a large nursing home, but if I go beyond that to municipalities in my own riding, such as Valley East with 18,000 or 20,000 people, or if I move much further out—or your own type of riding, Mr. Minister, where many of these communities don't have a nursing home—then we are in trouble.

The other aspect of it, of course, is that even though we provide a transportation allowance for the handicapped—I think it's \$15 a month—I know in the city of Sudbury by cab, you have virtually used up the whole \$15 for one trip.

We are very fortunate. We have a group in Sudbury who are all retired people from the United Steelworkers, operating in conjunction with Ken MacRae of Pioneer Manor. They provide this sort of transportation service. They run all over the place any time of the day—any time of the night almost—and are really helping the handicapped. The problem comes in funding for gas and so on, but the saving to the people who are handicapped is just fantastic. There is such a waiting list to use it now, that they have to resort to private cab, where it's \$3 or \$4 each way. The difficulty is that it isn't a proper type of vehicle. You just don't pick up a fare and drop them off as readily as you might other people. The type of bus the Steelworkers put up half the money for in Sudbury actually lifts a wheelchair into the bus.

It seems to me that if there is no nursing home we are caught in a bind in operating that type of programme in conjunction with a volunteer group in the community. I raised this last year.

As I say, my own area is fairly fortunate, within the confines of the city of Sudbury. But beyond, it is really, really difficult to bring people in wheelchairs long distances.

Hon. Mr. Brunelle: We agree, Mr. Chairman, the problem is province-wide and it has

to be an established policy. I'm not too sure whether it should be under our ministry. Maybe it should be with the Ministry of Transportation and Communications, that they would fund the municipalities.

Mr. Martel: That might be the thing, to make it just like a transit system, as opposed to trying to give it to a non-profit organization, or trying to attach it to a nursing home—for the very reason I gave; all of them don't have nursing homes. If you've got a public transit system, then, that can come under the auspices of the municipality. But, certainly, it's just got to change. I don't think we are very aware of the problem of the handicapped. We just take it for granted, I think.

I spent three months at the rehabilitation centre when it was out at Downsview. We take for granted the ability to get up and be able to walk. I recall a young man from the Lakehead, who had both legs off just below the knees; he was only about 18 or 19 at the time. We used to pack him off with us nightly. But you would have to fold his wheelchair, almost throw him into the back of the car, and away we would go.

But it's just too difficult and we have to start to do something about it. We've been talking about it for a long time, but we haven't been doing much about it.

We were talking about rehabilitation. Can I ask the minister—Are you going to do something about what my friend, the member for Nipissing, exposed the other night; the imbalance in case work between people in the Ministry of Community and Social Services who are doing rehab work in the north and south? It's one case worker for 87 cases in the Sudbury area; in Metro Toronto it's one to 40; and in Nipissing it's one to 70.

Surely, Mr. Minister, you of all people should rectify that imbalance for a number of reasons. First, you are from the north and you shouldn't tolerate it. Second, what we don't even take into consideration when we talk about one to 40 in Toronto is distance. In Toronto there is a great variety of opportunities available which the case workers don't have in the north. When you add those two facts together, in fact, it becomes apparent that it should be the reverse. In the north, because of distance and because of the great difficulty to find placements, we should have perhaps one to 25. But no; as always, it's the reverse.

It was the same with the Workmen's Compensation Board for years. We now have four in the Sudbury area. When I first got elected we had one; we now have four. They still have the same difficulties—distance and lack of jobs.

Mr. Chairman: You are making the same points which Mr. Smith has already made and had answered.

Mr. Martel: I would hope that the minister would say: "Look, I'm going to rectify it. In fact, I'm going to reduce it; it's going to be one to 30 in northern Ontario and not one to 40, as it is in Metro Toronto."

Mr. E. P. Morningstar (Welland): You can make a note of that, Mr. Chairman.

Hon. Mr. Brunelle: Mr. Crichton may have some comments on this.

Mr. P. Crichton (Director, Rehabilitation): Mr. Chairman, I am inclined to agree that we do have an imbalance in this area. There are a couple of points, though. One is that we find it extremely difficult in some of the northern areas to recruit competent staff to carry out this job because it is a specialized field of endeavour.

One of the things I might put on the record at this point, though, is that we do have additional staff complement for this year. It is our intent to increase, wherever possible, the complement in the northern offices. We do recognize this imbalance and we will try to assign as many as possible—and we're just reviewing the situation at the moment in the crucial areas in the north where we do see this kind of imbalance.

Mr. Martel: Would someone who graduated from a two-year course—I'll put the question to you, and I'll tell you why. I've spoken to five or six people who are unemployed in the Sudbury area right now who are two-year graduates of Cambrian College who have spent upwards of six months working in places like Orillia and so forth and who can't find jobs, because they are not being advertised.

I can take you to both Laurentian University and Cambrian College and find you people, if you're talking about the field of social work. I'm not sure how much you demand in the way of qualifications for the job, but I put to you that I know a number of these young people who have spent two years in Cambrian and who have worked in mental retardation and so forth; and when they are at community college they do get a fair number of hours in actual on-job work experience. There simply aren't the jobs there.

Mr. Crichton: I think there are a couple of things here. One is that we have had as our base line for hiring a post-graduate certificate; that is, a graduate beyond the BA level, primarily in social work. We are in the process, once again, of revising that base line and we

have been accepting BA students and we have been accepting community college graduates into the programme.

Mr. Martel: Okay, that is the point I want to make—

Mr. Crichton: To follow your argument, Mr. Martel, it seems to me that in the northern area where you are resource-short—I don't think any one will quarrel with that argument—that you would really want some of the most qualified people to fill the jobs in that area. In other words, I don't think we want to staff all the positions in the north with green graduates from any programme, because I think a great deal of expertise is required.

As for the other part of your question, dealing with social work, I would say that we're not dealing with social work per se here; we're talking about vocational counselling, which calls for a wide area of expertise, as I think you understand, not only in the counselling area but about job market information, requirements of the job market, the effects of disease and disability on employability, on education, and so on. So we really are looking for sort of a special kind of cat in this particular area.

Mr. Martel: That's what I am trying to find out. As I say, I know quite a number who have gone through community colleges. In fact, I am finding any type of—

Mr. Crichton: In terms of the individuals you know who are looking for jobs, the simple fact is we really haven't had that many openings available in the north, and as I indicated earlier, I think we will have in the next couple of months.

Mr. R. S. Smith: What is the pay schedule for this type of work?

Mr. Crichton: Mr. John Hunter, our director of personnel is here. Maybe he could help us out.

Hon. Mr. Brunelle: Mr. Hunter, the pay schedule for—

Mr. R. S. Smith: Rehabilitation workers.

Mr. J. Hunter (Director, Personnel Services): I can get that for you in a few moments, if you like; the exact scale.

Mr. Martel: How much is your budget?

Mr. R. S. Smith: The only other thing I'd like to know—just a short question—

Mr. Martel: Go ahead.

Mr. R. S. Smith: Is there enough in these estimates to hire enough people to bring the north up to the same standard as the south?

Mr. Crichton: That's a very difficult question to answer, Mr. Chairman. In the field of rehabilitation, I think that in some respect we get into a numbers game and it's a much more complex issue than simply adding staff and adding staff.

Mr. R. S. Smith: Yes, but what is an obvious need, you know, where the need has been established?

Mr. Crichton: Relative to the provincial situation I think we can go a way to narrowing the gap in providing service. In other words, I think if we can add a few staff in certain of the northern areas we can narrow the gap and then perhaps get some greater equality, in respect of the rest of the province.

Mr. R. S. Smith: That's impossible.

Mr. Crichton: In other words, I don't think the solution to your problem is to add five or 10 staff immediately to North Bay or to Sudbury, because I don't think that the community itself could respond to that number.

Mr. Martel: That's my next question. I want to find out about workshops. I realize you have increased the grant, I guess it is 80 per cent now, to workshops?

Mr. Crichton: The increase has gone in the operating area up to 80 per cent. It is a cost-shared formula with the workshop, and in the capital area it is a flat 80 per cent.

Mr. Martel: Is the minister considering putting a little more flexibility into the regulations for workshops? They are pretty stringent, I could use the case of Mr. Daze but I understand there are two or three other cases involving young blind people who, in fact, could establish themselves in a variety of businesses and who have been checked out very carefully, and the difficulty is in getting funding to get them established. My own feeling is, I wouldn't mind putting \$10,000 on the line over a number of years to help an individual establish himself in a community, because I have the feeling that if we don't help him become self-sufficient he eventually, out of desperation, ends up not working at all and then he simply lives for the next 35 years and raises his family on public assistance. Many of them don't want to do that, but we don't have any flexibility within the Act. You are very limited in the way that you can get money out, and there doesn't seem to be the flexibility to allow you to do that.

Mr. Crichton: I am not sure, Mr. Chairman, whether or not the workshop regulations is the area in which we would want to fund this kind of enterprise. It's a possibility, and we can do it now under the workshop provisions in terms of funding capital plant facilities. But it's a complicated route. I think the issue probably belongs in another area.

For example, at the moment under the VRS Act we can provide capital moneys, if you want, for what we call tools and equipment, and equipment can be quite substantial. The other day I think we provided approximately \$4,000 or \$5,000 for a diamond drilling outfit for an individual who was in business and this will get him established.

There is, however, no provision under the present legislation to provide capital moneys for plant facilities. In the cases you are speaking to, we are talking about fixed immovables such as a mobile home trailer or a greenhouse I think was another one—another one was a dog kennel—to get these individuals established.

We are presently reviewing that situation and I think you know, Mr. Martel, we have made arrangements through another agency for these individuals to be assisted in these capital projects. We have arranged with the individuals and with the agency to follow the progress, to give them whatever support we can directly under the Act and if we think it is a feasible idea we'll make recommendations to change our regulations.

Mr. Martel I would hope you would follow those three cases in particular, because I know of one case in which I was very involved a young man was reaching desperation point at last. He was a young man with a family and if he had been on GAINS it would have been a cost to the province of \$450 a month but for the sake of \$4,000 he is self-sufficient with a major contract. It was so long in getting there that's why I am suggesting we can follow these and see what happens there, giving the ministry the flexibility in the regulations to go out and say, "We've checked it out carefully. He's got people who are going to back him up; he's got a backup team." We should go ahead with it because he is self-sufficient today.

I haven't talked to him since the notice went to him to tell him it was coming. He was so delighted. He's a tremendous little fellow. He is only about 23 or 24 and for the first time in his life he is going to be self-sufficient. If you want to be monetary, in terms of what it saves the province it is astronomical but if we think about it in human values, it is even better.

I think the minister needs that type of flexibility to give him a little more room to move, to give an actual workshop setting if necessary. In these three cases, they happen to be blind, and it could be something else, quite conceivably.

Hon. Mr. Brunelle: That is a good point. What we give under the VRS Act is shared by Ottawa on a 50 per cent basis and it is one **which** we would have to discuss with Ottawa, if they would be prepared to have a more flexible approach.

Mr. Martel: Even if Ottawa said no, Mr. Minister—in the case of Mr. Daze, we put in \$4,000 I think; if it is \$4,000—and you still had to go it alone and put out the \$4,000, aren't you better off doing that than having him on GAINS where you would get 50 per cent back from Ottawa? Ten months is \$4,000 at least; your share is \$2,000. If he ends up on GAINS that is going to happen because he was so desperate at last.

If it did happen, inside 20 months you've got your investment paid off and you've got the next 25, 30 or 40 years when you are not going to have to pay 50 per cent with Ottawa to raise him and his family. The individual himself is much happier working than he would be.

As I say, you would have to use discretion in these cases. I don't think you should go at it holus-bolus. You make sure there is support in the community to assist. I think if we worry about the 50 per cent funding you could go that route and it would cost you a lot more.

Hon. Mr. Brunelle: I think we are in agreement that more should be done to encourage handicapped people to become self-sufficient.

Mr. Martel: I am going to speak to one other subject and only for a moment.

I have a couple of quite lengthy documents here. I can understand why there is confusion in your ministry on day care, I really can.

Hon. Mr. Brunelle: There is no confusion.

Mr. Martel: Listen to this, just savour this. Ministry philosophy of day care; page 58 of your document. I am not supposed to have it, but I have it. Listen to this for nonsense:

Management is a pivotal force in man's search for effective ways of utilizing limited resources. It can be a prime stimulant or a major deterrent to the progress of a given society depending on whether it develops to meet the requirements of that society. For this reason, every member of management in government should be made aware of his

responsibilities to the ministry and ministry section he serves, and his responsibility to society of which he is part.

In the daycare field there should be a system of thought to dominate the behaviour in the sections of the ministry responsible for the development and delivery of daycare services. That system of thought is referred to in this paper as a philosophy. [Can you imagine that? What an amazing thing. "That system of thought is referred to in this paper as a philosophy." What an imaginative statement.] The primary importance of a sound philosophy on day care is that it is fundamental to a scientific approach for the development and delivery of services. A stated ministry philosophy on day care would provide a benchmark for decision-making and command, act as a frame of reference for the facilitation of communications; and provide normative consensus.

When a philosophy is well communicated and is understood and accepted, it can lead to effective consensus in group interaction of co-ordination of thought and action, of interpretation of evaluation of performance, of investigation of personal development of facilitation of performance, of stimulation of performance and of communication.

Well, what the hell does it mean? What does it mean? I wish somebody would tell me. This document could go on for—

Miss Crittenden: Mr. Chairman, I think Mr. Martel has been sort of had.

Mr. Martel: No, that is a document from your department. I don't know if I've been had or not. That is from your department. I just want to know what it means.

Mr. Carruthers: I think they are getting wise to you.

Mr. Martel: It is costing a fortune to put it out, anyway.

An hon. member: I think it came from your office.

Mr. Martel: No, no, I just brought the photocopy down. I have the other upstairs, I relish it so much. I thought to myself when I read that "what a pile of garbage."

That is all I am going to say about it because it's not worthwhile saying anything more.

Mr. Chairman: Have you got any more of their research files, Mr. Martel?
Does vote 2603 carry?

Mrs. Campbell: No. Mr. Chairman.

Mr. Chairman: Mrs. Campbell.

Mrs. Campbell: I want to address myself to some of the situations relating to the sheltered workshops.

The people who have been in touch with me representing the blind and the disabled in this city have some very mixed feelings about the workshops as they apply to them. They are of the opinion that the workshops ought to function more on the basis of the Marina type of return to the disabled than on the low rate of yield that you are giving to them. They have pointed out to me that there are cases where they cannot get employment in the area in which they are proficient, but that the same people will buy through the sheltered workshop, because there is such a discrepancy in the rate of pay.

I must say that I don't want to take a position that would in any way denigrate the sheltered workshop, particularly as it applies to the elderly, because it is very useful to them. But by the same token, I think there should be a look at the kind of function and the kind of operation that you have, insofar as it applies to the disabled, and to the blind.

I am interested in reading what you say about vocational rehabilitation, and the purchase of services from universities and so on. I have in my mind the case of a blind man seeking to take his master's degree in the hope that he might be able to qualify in a research setting. It is true that he has been openly critical of the system. I would hesitate to think that would be the reason why he has been unable to continue.

I believe this person has been examined by three different areas of your ministry, one as a **single man**, one as a dependent father, and one as a blind or a disabled person. Maybe we're wasting a lot of time if we have so much staff we can examine people for needs testing. I suppose you have some more areas of your ministry that could have tested him too. I think sometimes the indignities to human beings should be given some consideration by this ministry.

I don't understand it. One would have thought once would be enough to establish some kind of cross-referencing, if it's necessary. I believe in the quality of confidentiality, but I think this is an absurdity. If we are so confidential that we're all examining the same man for different aspects of a delivery of service, I would be interested to know to what extent this is prevalent in this ministry.

I would also like to know if the minister could advise me as to whether or not he believes the kind of working authority of

CNIB is in fact useful at this point, and to what extent his ministry is involved with the CNIB as it pertains to blind people. There is a growing concern, too, among the blind, that in fact they really aren't having input into their kinds of problems. They would like to have the opportunity to have input, rather than have the CNIB as a great umbrella over them, and from which, sometimes, they feel they would like to escape.

I wonder, too, if here is the point where I might have a word or two on a question raised the other day on the matter of the halfway house. Is the minister aware there is a growing concern among a large group in the community in Toronto that we have not established adequate halfway houses for those who have the problem of alcoholism?

I was at a meeting at the city hall, chaired by Ald. Johnson, at which were present a number of social agencies, including Sister Marie Claire from St. Michael's and others, who are saying, "We think we ought to give to these people a return to the old system." Now this is said very seriously. They themselves are asking, "Let us return to the system where we go to jail." Why are they asking that? Because there has been a drop in their physical condition. They are suffering from malnutrition because what is happening to them is that they go through a revolving door from the courts to the detox centres. Because there aren't sufficient and because they cannot handle them, they are back out on the street again in a short space of time.

I had a man working with some of these people in the downtown area of my riding ask me if I couldn't raise this question, because we know that at least when they went to jail they were being properly fed. I happen to think it is a very strong criticism of our lack of thrust in this area, and this is your area.

I recognize detox is hell. I really don't know how we split up human beings in this way and try to solve a problem. But they are saying to me that they think we should be sending them back to jail, because they are dying of malnutrition. Oddly enough, studies before indicated they did not have a problem of malnutrition because they were being fed in jails. It is a horrible feeling for me to sit here in 1975 and say, as I probably will have to say to the Attorney General (Mr. Clement), that because this government has failed and because we haven't recognized this problem, then we should go back to the old route.

I recognize this particular group in our society is not one that gains too much sympathy from the public at large. It is not a group about which it is very popular to be concerned.

If you have concerns in the area, I would hope they would cease to be token in nature and that perhaps we could get on with a programme that would give them the opportunity to get back into the community. Failing that, I have no alternative. Neither does that group that met at city hall, nor do the people working out of Central Neighbourhood House in downtown Toronto who have approached me. I feel I have to point these things out to you.

I could go on at length about the lack of services to the disabled. I could point out to you that in California now I understand they have a provision where they can earn substantially more than they can earn here and that their costs of business are deductible items for purposes of retaining them in the field of some subsidy, while giving them an opportunity to feel they are performing a useful function in our society. I could go on at length about that, but I think I shouldn't take up too much time with this committee on it.

I would like to have an answer, if I may, to the two points at least: the philosophy of the workshop, as I have outlined the concerns, and the philosophy of the halfway house, as I have equally outlined my concern.

Hon. Mr. Brunelle: Mr. Chairman, I would like Mr. Crichton to speak on the matter of the sheltered workshop. With reference to halfway houses, we are certainly in agreement with the views of the hon. member of the need for these. We have recognized that need and we are funding quite a large number of halfway houses. I haven't the figures presently but we do fund quite a large number, mainly under the Charitable Institutions Act. The need is increasing. Alcoholism certainly is increasing and we recognize the need to fund more. I would hope we wouldn't have to ask the police authorities to look after these people in view of the lack of facilities. But there is provision now for hostels under the General Welfare Assistance Act.

Mr. Anderson: Well, Mr. Chairman, with regard to Mrs. Campbell's specific problem, Mr. Crichton has pointed out—

Mrs. Campbell: It's not my problem.

Mr. Anderson: The problem you have presented. There is something over 100 beds currently in Toronto for this process and there are another 52 beds recommended. But if you will recall the comments of the Toronto police at the time the detoxification units were proposed, and particularly bearing on this question of malnutrition, the main problem was not the detoxification or the nutrition during that

period. It was the worry of the police that they had no legal control over a person who is not sentenced, and neither does a toxification unit.

So no matter how many we have and no matter how good they may be, if there is no compulsion for the person to remain there, the bulk of alcoholics will leave as soon as they are well enough to travel and as soon as they feel the urge to travel, unless we can develop new techniques of stimulation toward continued abstinence.

That is the big problem. They didn't get well-nourished waiting for sentencing in the old jail system. They got well-nourished in the 30 days they got sentenced to or the 60 days they got sentenced to. As long as the Criminal Code is not going to confine them to a halfway house, as long as the incentives have to come from within themselves and within the capabilities of the organizers of the halfway house, then they are going to be free to walk out as soon as they are well enough or feel well enough to walk out. This is usually within, I think in the experience of Toronto, about 48 hours of drying out. Then they are back on the street again.

It is not long enough to provide nourishment for them, obviously. But it is a question of law enforcement or new techniques for keeping people interested in remaining in a halfway house. The Toronto police pointed it out as their only reluctance to give up their authority in this field, and I think that was true of other urban communities.

Mrs. Campbell: Mr. Chairman, I just want to point out that that does not appear to be the situation now. I am not going to say there aren't those who won't go out as quickly as they can. In fact, what is happening is that they are being pushed out of detox because there aren't enough beds and there aren't enough halfway houses, and it comes largely from the men in the community. From my understanding of it, they are asking to be let back into jail so they don't all die of malnutrition.

I understand that deaths have increased since we have had this new kind of procedure. So from what I understand, these men are not the kind who don't recognize the need to be in some place of care for a period of time. If we could get enough places, then I am sure we could work out some details, if that were the only problem. A court can only deal with the facilities that are available to it. It strikes me as a pretty horrifying situation, sheltered workshops.

Mr. Morningstar: It's very serious to hear this, Mr. Chairman. It's a serious accusation.

Mrs. Campbell: I didn't make an accusation, I made a statement of what has been said to me.

Mr. Morningstar: It's very serious.

Mr. Crichton: In connection with sheltered workshops their philosophy and what we are attempting to do in that area, I think that there are two basic kinds of objectives within sheltered workshops. One is to assist someone, who is disabled and unable to work at the present time to return to the competitive labour market; that is, in business or industry. Really, in this type of workshop we are attempting to assist the individual in developing social and work skills in whatever degree or kind is needed. That is the objective of those shops which attempt to return people to the competitive labour market.

In the other type of shop—and we realize that there are a number of individuals who would never be able to really enter the competitive labour market on a full-time basis—the attempt within organizations is really to provide meaningful employment.

Mrs. Campbell: Meaningful? How much?

Mr. Crichton: Meaningful employment means providing someone with the kind of activity that would really give them a purpose, some feeling of creativity and so on within the operation, but also would provide them with those kinds of buffers and support services that one does not find in the open labour market. Those are really the two objectives.

I must admit that up until recently and, of course, still at the present time, because of the kind of funding levels that we were involved with in the workshop operation—in other words, our funding level in the operating area was running at about 16 per cent—it was very difficult, we felt, for workshops to provide this kind of activity or stimulation, whatever you want to call it.

We feel that under the new funding provisions, workshops will be able to hire adequate and competent staff in order to provide this kind of environment. In addition, they will be able to expand their productivity base. I've been concerned myself for a number of years when I go into sheltered workshops and see disabled individuals of all degree and all description making widgets or various kinds of trinkets, many of which are really not marketable. Our objective under this new funding base—and, of course, I think it is a slightly new philosophy—is to make workshops as much of a business enterprise as possible so that they can put out a product that can be marketed and can earn a return.

I indicated earlier that we were on a funding basis of 80 per cent with the workshops contributing 20 per cent or more. Our ultimate objective would be that workshops would become almost self-supporting businesses. We are, for example, encouraging workshops to set up self-sustaining operations. I think one of the things we would look at is that if a workshop was into a product line that could support a number of workers, we would encourage them to get into a protected industry situation. In other words, we would encourage them to break off from their charitable corporation and move into an industrial or a competitive kind of situation—what we would call a protected industry.

We are encouraging workshops to become much more involved in the business and industrial community in terms of job stations in industry. For example, we will go as far as to place any number of disabled persons in an industry; the workshop, for example, could provide the supervisor or the trainer in that particular industry in order that they may become integrated. I think we must always keep in mind that our ultimate objective is to assist the individual to return to as normal a situation as possible.

As I said, the funding levels for this programme have been very low up until recently. They have just been increased, as of December, 1974, and I think it will take some time for us to turn this situation around. We are going to have to take a look at the programmes that workshops have developed over the years and at what kinds of changes we need.

We would take a look at the kind of staffing we have in workshops and how this must be upgraded. One must realize that if you are talking about a manager of a business, who you were previously paying \$6,000 a year but perhaps now you could pay substantially more, you must consider what this means in terms of programme and what it means in terms of establishing a business.

Hopefully, we are providing the kind of funding that will allow workshops to upgrade their staffs, either through recruitment or through internal training and staff development. I don't know whether that satisfies you.

Mrs. Campbell: Could I know what the hourly rate is in the sheltered workshops now and what you propose it will be when it gets to be self-sustaining? I suppose self-sustaining depends an awful lot on what you are paying to the people who are producing.

Mr. Crichton: At the present time, Mr. Chairman, the hourly rate within workshops is really non-commentable.

Mrs. Campbell: What is it?

Mr. Crichton: It varies from a few cents an hour, as I understand, to workshops that have been able to pay close to or better than minimum wage. It seems your highest revenue-producing operations are your large reclaim operations like Crippled Civilians in Metro Toronto, or Amity, or Ottawa Neighbourhood Services, this kind of situation. They are very large reclaim operations and I think that the possibility of expanding those to include all the disabled may not be feasible. It may not be desirable. It may not be possible, because I think a community can only accommodate so much in the way of a reclaim or salvage operation.

But the issue of wages to disabled in workshops is one that we are concerned about. We hope that through adequate funding and through flexibility in programme administration we can allow workshops to get into a competitive situation as much as possible. The other situation that we are looking at and have under study now with the Ontario Rehab Workshop Council is the issue of maintenance that is now being paid, and how do we begin to translate that in terms of a wage as opposed to a transfer payment.

Mrs. Campbell: I am advised that the average seems to be \$1 an hour.

Mr. Crichton: If you average it over the 138 shops that we have at the moment, that is probably a fairly reasonable assessment.

Mrs. Campbell: I am a rather pragmatic person. Would you tell me, with all this new funding, until they get to be self-sustaining, what you envisage would be the increase in an hourly rate?

Mr. Crichton: Until the programme is developed and until the programme can get a return on its expenditure, I wouldn't anticipate a significant increase. What you are involved in here is a trade-off situation. How much of your revenues are you going to turn back into product development and into programme development, as opposed to paying a different wage? I think that is the kind of issue that is faced by most businesses in today's market. I recognize it would be a desirable fact to pay a much higher wage, to pay minimum wage, but I think that with the availability of resources we are going to have to make some decisions.

Mrs. Campbell: Mr. Chairman, one quick last question: Why would it not have been feasible to look at the Marina operation, because there they do seem to feel they are getting a fair return for their work and they

don't seem to be unhappy about it? Those who are talking to me are asking for more of that kind of operation, where they can earn a return on their own productivity. I wonder why that couldn't have been done before now. Marina Creations, as far as I know, is definitely self-sustaining and it does have a fairly high level of return to those people who are engaged in that function.

Mr. Crichton: Marina Creations, if I am not mistaken, is largely a home-bound operation.

Mrs. Campbell: Yes, it is.

Mr. Crichton: The individuals are producing craft products. These in turn, are marketed through Marina Creations.

Mrs. Campbell: That's right.

Mr. Crichton: I don't have the statistics, Mr. Chairman, on what the ratio is between those who are earning an independent living through participating in Marina, as opposed to those who are subsidizing their maintenance payments.

Marina can expand that; there is nothing against it expanding that operation. As a matter of fact, in terms of capital, in terms of outlay, it's a very low-cost kind of thing. But the other point here is that not everyone really wants to be involved in home-bound employment, nor does everyone want to be involved in the making of crafts. As I say, there is no problem—there is no reason why Marina can't expand.

Mr. Carruthers: They don't maintain a shop.

Mrs. Campbell: Yes, they have a shop. And most of the people who are engaged in their services are badly disabled and some are unable to get out.

Mr. Carruthers: Is the work done cheaply at home?

Mrs. Campbell: Yes, to a large extent. But what they are doing is, they have some women who have an imaginative approach and they are constantly looking for articles, very fine articles and very expensive on the market. These people are able to make evening bags, things of that nature, that are comparable to a more expensive product.

Mr. Carruthers: Fairly high-priced articles.

Mrs. Campbell: Yes, and it gives them a sense of self-worth that I don't think we have to a large extent at least in my area in our workshop performance.

Mr. Carruthers: The ones I am acquainted with are in Peterborough and Cobourg, and there it depends on the local industries. They take in contracts from local industry, and it all depends on the type of industry as far as revenue is concerned.

Mrs. Campbell: This is the difficulty that we find—local industry is very happy to use them as a form of cheap labour.

Mr. Carruthers: I wouldn't say that. No, no, I wouldn't say that.

Mrs. Campbell: That is what they complain about in Toronto.

Mr. Carruthers: I think they are very understanding as far as that is concerned. I think there is a great relationship between the local industry and these people.

Mrs. Campbell: It may well be in a smaller place, Mr. Chairman. I am only voicing what they voice to me, and I raise it because I think it applies.

Mr. Carruthers: I couldn't support that at all.

Mr. Morningstar: Mr. Chairman, I might say you are familiar over our way with the NTEC. Your ministry was good enough to grant them an 80 per cent grant under workshop. They do a lot of repair work, furniture and all. Some of the people there make money in addition to receiving their disability pension by working in the shop. It's going over big and we are very grateful for what you have done over in that area. There must be 90 or 100 people involved.

Hon. Mr. Brunelle: That's right, Mr. Morningstar.

Mr. Morningstar: They are put to work, and it gives them an opportunity to get out of the home at the same time.

Mr. Chairman: Have you got any more, Mr. Foulds?

Mr. J. F. Foulds (Port Arthur): Thank you, Mr. Chairman. It is probably a little unfair of me to raise this particular matter. It may not yet have come to the minister's attention directly, even though a brief was presented to cabinet yesterday at the meeting in Thunder Bay from the Handicapped Action Group. I understand they sent the brief ahead and they did not make the presentation to the committee in which you were sitting, Mr. Minister. They did give it to the one which the Minister of Housing (Mr. Irvine) chaired, because it had to do with transportation, and the member for Oshawa (Mr. McIlveen) came in on that

The reason I raise it is that it is a matter of some urgency. The member for Oshawa, in his reply to the presentation, said—and I am quoting him as accurately as I can recall—that “transportation for the handicapped is not a transportation problem but a social problem.”

I disagreed with that viewpoint very strongly. I think there may be aspects of it being a social problem, but it is very much a transportation problem. I further understand there is an interministerial committee of yourself and the member for Oshawa looking at the problem of funding for handicapped people.

Mr. Chairman: It is also, Mr. Foulds, a subject that was raised earlier.

Mr. Foulds: Yes, I understand that. I am dealing with a specific and particular aspect of the question, Mr. Chairman, which I think is legitimate during the estimates.

The difficulty in Thunder Bay is that this group is a very good and active group. I am sure you are familiar with them. They originally had a van donated to them by the Westport Kiwanis and they have been operating it under a LIP grant, which runs out on July 6. Since they have had the programme operational they have managed to increase their transportation capacity something like 155 per cent. They were actually carrying in March of this year 97 people for employment purposes.

All I want to say to you as strongly as I can and as sincerely as I can is that I would look very thoroughly at that portion of the brief that has to do with transportation for the handicapped and see if you can come up with some special funding for them before their expiry date.

I was talking to two of the key chaps yesterday and the bank is breathing down their necks a little bit. There is not much use having the van, which provides a very good and very valuable service, if they can't keep it operational. I would hope you wouldn't leave it until your interministerial study is completed to sort out who is going to pay the dollars whether it is Transportation or Community and Social Services, and how much from each ministry.

They are providing, as I say, for 97 people going to work who otherwise would not be able to work because of the wages they get and the amount they would have to pay for taxis. It simply wouldn't be economically viable for them, as my colleague and many people on this committee have said. It is not only the fact they are productive in an economic sense but in a very real human sense.

I would urge your attention to that, Mr. Minister.

Hon. Mr. Brunelle: Mr. Chairman, briefly, as the hon. member has indicated, this brief was presented yesterday, not to our meeting but to a meeting next door. Last night I had dinner with the Thunder Bay Social Planning Council. Some of the members who are handicapped were at this dinner and they brought it to my attention.

As was indicated earlier this afternoon, it is a matter about which we all recognize a need. Hopefully, a policy will be established. I really do not know whether we will be able to provide funding. As you have indicated, their funding expires some time within the next month or two. We have no provision within our ministry for funding of this type at this time.

Mr. Martel: Some of the leadership as suggested by Dr. Hendry might make it possible.

Hon. Mr. Brunelle: As you know, next week, there is a two-day conference for the physically handicapped at York University. Some of these persons who are handicapped are delegates at this conference. This will be one of the subjects raised. As I indicated also, there will be federal funding in the future for transportation for the physically handicapped. This is a new policy and, hopefully, this will be possible. But there will have to be a government transportation policy.

Mr. Foulds: I know the bind you are in and I know the difficulty. But surely it makes more sense to approach this problem imaginatively at the present time, waiting for the policy, because obviously you are going to move to it. It makes eminent sense.

Hon. Mr. Brunelle: What I'd like to say, Mr. Foulds, in conjunction with that, is that you referred to Mr. McIlveen, and Oshawa has written to us, and Timmins, and at practically every public meeting we have held it has been brought to our attention. The need is province-wide and I think you can appreciate it would be difficult to provide the funding for the handicapped in Thunder Bay and not do it in other areas.

Mr. Foulds: I wish you hadn't raised that particular point, because I was very disturbed by Mr. McIlveen's private response to me, which was that he was sure as hell going to make sure that he got something for his riding before it happened in mine, and I hope that is not the governmental response.

Hon. Mr. Brunelle: No, our policies are province-wide, I can assure you of that, Mr. Foulds.

Mr. Foulds: As a matter of fact, it would be terrific if you really want to try to win the seat—but you know you don't have a hope of doing it but if you want to really try—why don't you do a couple of these imaginative things for Thunder Bay?

Hon. Mr. Brunelle: At the present time you mentioned the funding was being done by voluntary agencies as well as the LIP grants, and maybe if there was some assurance some time in the future that there would be federal-provincial assistance, it could well be that maybe some of the voluntary agencies could continue to provide on an interim basis until that.

Mr. Foulds: I think it is very possible, if you could make that kind of statement in kind, that they could scramble; although I think that is second-best, I must admit.

Mr. Chairman: Mr. Roy.

Mr. A. J. Roy (Ottawa East): You are looking at the clock.

Mr. Chairman: Proceed, Mr. Roy. We will look at the clock;—

Mr. Roy: How much time have I got?

Mr. Chairman:—you ask the questions.

Mr. Carruthers: Just summarize it for us.

Mr. Chairman: We will go to 6 o'clock and start again at 8.

Mr. Roy: Just hang on. I will go into full details to make sure all you fellows understand. Mr. Chairman, I want to ask the minister about an institution in southern Ontario, in the Windsor-London area, called Twin Valley, which is run by Mr. George Bullied. I understand they received funding from the Ministry of Community and Social Services under the item here, vocational rehabilitation, and I want to raise some concern about that funding. First of all, possibly your people could tell me how much funding they are going to get this year. My information is that last year they received something like \$28,000, and they received something like \$213,000 from the Ministry of Colleges and Universities.

The reason for my concern, Mr. Chairman, to the minister, is this: It may well be that the services and the work done by Twin Valley are beneficial to the young adults or the children who are under that programme. I understand, in fact, there have been articles in Maclean's magazine about the work that has been done by Twin Valley. I am not here to criticize the approaches taken, because I think there

are some results which are hard to criticize and there may well be some validity for the funding. What I am concerned about are two matters:

First of all, Mr. George Bullied and Twin Valley are very much involved in a religious cult called the Emissaries for Divine Light and also the Universal Institute of Applied Ontology. Their membership is somewhat limited. I am told that they have about 2,000 in Canada and their biggest operation actually is in the area of 100 Mile House in British Columbia, where there is a lord up there—what is his name?—

Mr. Foulds: Darcy McKeough.

Mr. Martel: The Duke of Kent.

Mr. Carruthers: I am sure his name is Martel.

Mr. Roy:—Lord Martin Cecil—and he operates this religious sect. Apparently they operate the whole town there.

Mr. Carruthers: Are you a member?

Mr. Roy: But my concern is that the property that Twin Valley operates on involves 200 acres and these 200 acres belong personally to George Bullied. We have researched the title of these properties. First of all, the first property was bought on June 18, 1971, by George James Bullied for \$13,500; and the second property was bought on Jan. 16, 1973, for \$25,000. On July 21, 1972, when he had only 100 acres, he was able to get a Central Mortgage and Housing mortgage for \$78,000 already on the \$13,500 property so you can see the appreciation of the value of the land was going up pretty quickly.

Subsequently he got a mortgage on the second property. Once he had both properties, the 100 acres, he got a Central Mortgage and Housing Corp. loan again for \$180,000 on Feb. 21, 1975. On property he paid something like \$38,000 for he got mortgages for \$260,000 or so.

I take it the purpose of the mortgages is to build what they call geodesic domes where they house the facilities and the students and everything else. What he has done is rented the property back to Twin Valley Centre, both properties, for \$20,000 a year. He is the president—he is on the board of directors of Twin Valley. He is, I think, what you might call the—he is the director; he's on the Twin Valley Centre board of directors.

My concern is this: He owns this property. It is in his name. There are mortgages on it. I have mentioned the Central Mortgage and

Housing Corp. loans; actually there were a couple of other mortgages from the Bank of Montreal. Some have been paid off and some are still outstanding.

The concern is that public funds are really going on a long-term basis to pay off these mortgages. The property being in his name, the capital equity being accrued over a period of years is going to be to his benefit because the property is in his name.

I think your funding in this matter is somewhat limited; you are in the area, I would think, of \$30,000 or somewhere around there. Of course, Colleges and Universities is funding it to a much greater extent because it has the BIU formula and everything else.

They are working with a college in Windsor there—I think there are some 55 students—so they get something over \$200,000 from Colleges and Universities. The staff and the people working there have farms; they raise their own vegetables, and they are very self-sustaining. The teachers get only about \$40 per month or so. The moneys going there I would think, are going for the furtherance or the payments of these mortgages and secondly for the furtherance of this religious group.

This matter, Mr. Minister, was brought to your attention—I'm not sure if it was your attention personally—but it was certainly brought to somebody's attention by a gentleman working with your ministry by the name of George Carr. I understand he has been fired now. Maybe you can confirm that for me. That's my understanding of it, that he was fired.

Mr. B. Gilbertson (Algoma): He might still be here.

Mr. Jessiman: He must have studied under John Brown.

Mr. Roy: That could be confirmed. If I am wrong—

Miss Crittenden: Mr. Chairman, the previous deputy minister fired Mr. Carr. I remember it, but I have no details in connection with it. He isn't with us any more.

Mr. Roy: Okay. My understanding is that he had sent in a report to the ministry, Mr. Carr had, and it didn't go very far so finally he sent it directly to the deputy minister, Mr. Tom Eberlee. He was fired, as I understand it, for insubordination.

I thought that in his memo—and I happen to have a copy of it—he expressed a concern about what he called conflict of interest guidelines. I have part of the memo here. He talks about:

An arm's length transaction involves independent and non-related persons or organizations that are free to act in their own best interests. Circumstances where individuals or organizations are not at arm's length can result in conflicts of interest and subsequent profiteering at public expense. Even though the transaction may be conducted at market's worth, a conflict of interest is present, and as such it raises doubts in the minds of those who come in contact with it.

To protect our officials from unfavourable criticism, I would suggest that it is best from a political as well as an administrative standpoint to steer clear of any circumstances remotely resembling non-arm's length situations.

Then he goes on to discuss various cases, and he talks about the Twin Valley residences under the Vocational Rehabilitation Act as another, in his opinion, conflict of interest situation. He states:

It is my view that we should never use ministry funds to subsidize the retirement, directly or indirectly, of mortgage principal and interest cost, tied to facilities that will be largely built with public money [in this case CMHC loans] made available for social reasons, unless the ownership of the real estate lies with the charitable corporations operating the social programme for which the facility was constructed. What will amount to a substantial investment in real estate equity clearly belongs in the hands of the charitable corporations and not in the pocket of private individuals.

I thought he made an excellent point. As I say, I'm not in a position to attack the merits of the programmes or what they are doing for the kids or the young adults at this charitable organization called Twin Valley. What is of concern, though, is that part of the funding from your ministry would appear to be going to Mr. Bullied to acquire what we call capital equity. I just wonder if anything had been done about Mr. Carr's memo in this situation?

Miss Crittenden: Mr. Chairman, it's my understanding that the property was transferred to the corporation. But you say it wasn't. If that is so, I think we should have it investigated right away. If the data was forwarded to us showing this transfer, then we should have our audit staff immediately move back in, if something has happened that this wasn't transferred.

Mr. Roy: Maybe your audit staff should talk to the Ministry of Colleges and Universities, because they are funding at a greater rate.

Miss Crittenden: Remember we are only purchasing services on a unit purchase. This is not a grant basis or subsidy for that.

Mr. Roy: What are you funding them for?

Miss Crittenden: Mr. Crichton can give you the exact amount, but we will take the details and have somebody go back on this right away.

Mr. Crichton: I think your figures are substantially correct, in a ball park area around \$30,000. We are purchasing assessment and work adjustment or social adjustment services from Twin Valleys on a per diem, per individual rate. The rate is running at about \$7.50 a day.

Mr. Roy: Yes. In the article in Maclean's Magazine of February, 1975, it indicated:

Ontario Community and Social Service ministry contributes \$7.50 per student per day. Multiplied by even 20 students in a year of days, it is an extremely healthy earnings record for a primitive commune. Additional allowances of about \$200 are awarded to under-privileged students, a definition that has been rather generously interpreted to date.

He goes on to state, "Take away the government funds, and you would effectively deprive Twin Valley of its means of support." That's when he was talking about the amount.

Mr. Crichton: I think the article is really sort of overblown. Our involvement in the programme runs at about 13 or 15 students of the 85 who are at Twin Valley, and that number fluctuates with turnover.

Once again, I emphasize that we are purchasing only the service from Mr. Bullied, we are not making a grant to him. We had a meeting recently with the people at Twin Valley and have discussed programmes with them.

But in these other matters that you raise, certainly as the deputy says—

Mr. Roy: Was it your understanding that the real estate was, in fact, owned by the Twin Valley Corporation?

Mr. Crichton: That is our understanding.

Mr. Roy: Well, I have had the title searched and the results of it came in today. I take it this is relatively recent and the only—

Mr. Carruthers: Is there a date on it?

Mr. Roy: Yes, the date on the search is May 15, 1975. It was given to me this morning.

I like to be up on my figures. And what it indicates, Madam Deputy Minister, is that—

Interjection by an hon. member.

Mr. Roy: Is that a new term?

Mrs. Campbell: Yes.

Mr. Roy: Yes, I am still not used to it.

Interjection by an hon. member.

Mr. Parrott: You are just not up with it, Albert, that is the trouble. Get with it.

Mr. Roy: The chairman too, and the minister.

Interjection by an hon. member.

Mr. Roy: On April 1, 1972, George James Bullied and Patricia Bullied got involved in the lease. It is registered as a lease and we have the registration number, for \$10,000 and \$20 per month, yearly, to Twin Valley Centre. That was for the first 100 acres. The second 100 acres was bought in January 1973.

There is obviously a mistake here. I have a lease April 1, 1972, George Bullied to Twin Valley Centre for 100 acres for \$10,220 and \$20 per month. It is again a lease to Twin Valley Centre.

Looking on the search, all we have following this are mortgages, and discharges of mortgages. My information, Mr. Chairman, to the minister, is that in fact the title to the property, the fee simple, is owned by George Bullied. That is my concern.

I am concerned as well, Mr. Minister, and I am not asking your deputy minister to defend or criticize, the actions of your predecessor. I thought Mr. Carr rendered a public service when he set out conflicts of interest.

Mr. Chairman: Mr. Roy, have you connected that fact with the reason he was dismissed?

Mr. Roy: With the information that I have, I cannot. That is the great thing about real estate. We can get documentation for it. Decisions in government are sometimes more difficult.

Mr. Carruthers: Have you searched the deed?

Mr. Roy: Pardon me?

Mr. Carruthers: Have you searched the deed? Whose name is registered on it?

Mr. Roy: Yes, we have it all.

Mr. Carruthers: That is all then?

Mr. Roy: Yes.

Hon. Mr. Brunelle: Mr. Chairman, could I ask Mr. Roy if he could make that information available to us. We'd make a copy of it, and return it. For myself, this is the first I have ever heard about Twin Valley Centre.

Mr. Roy: Don't feel badly, I hadn't heard about it until about two months ago. I am certainly prepared, because, as I say I raise the issue, not to criticize Mr. Bullied, who has had quite a background. If you read this article in Maclean's he is a fellow who had seen a lot of action in wars and who has had personal problems. He seems to be attempting to render what we call a community service down there.

My concern is that, as Mr. Carr said, we should be very careful that public funds are never used for personal enrichment, be it through excessive salaries or acquisition of what we call real estate equity, which in my opinion is happening here.

I am not only talking about your ministry, or the Ministry of Colleges and Universities, but maybe CMHC might well wonder what they are doing as well. The purpose might have been all right; the end result is my concern. It is his property and the value of it, it's obvious from the mortgages has increased fantastically.

Mr. Carruthers: You're not sure of the deed? Do you have the deed?

Mr. Roy: No, I have here a mortgage.

Mr. Carruthers: You just have the mortgages on the leasing. Have you searched the deed on it?

Mr. R. S. Smith: That's where he got that information.

Mr. Carruthers: He searched, but he hasn't got any deed.

Mr. Roy: No, but you don't need the deed. Once you have the search and you see the way it's registered and the transactions, the purchase is clear.

Mr. Carruthers: It's registered in his name?

Mr. Roy: Yes; in his, and I take it Patricia Ann Bullied must be his wife. Clearly when we are talking about any transactions between James Bullied and Twin Valley Centre, we are only involved in leases. That is not a transfer, as you know, of the fee simple. I bring this to your attention, Mr. Chairman, and to that of the minister.

I am quite prepared to have you look at this.

If I am in error, I am quite prepared to be corrected as well. I feel I am bringing something to your attention which is of concern, and I was concerned about Mr. Carr. I thought he was treated unfairly. There may well be other explanations for it; I don't know.

Hon. Mr. Brunelle: I would be pleased to find the reasons for the dismissal of Mr. Carr.

Mr. Chairman: It may not have any relation to that at all.

Mr. Roy: It may not, but our understanding from Mr. Carr is that it did; and because the memo got directly to the deputy, he was found to be—

Mr. Chairman: You are now connecting the two, and that is what I asked you a while ago.

Mr. Roy: I can't. I can only rely on the information of others; I don't have documentation to—

Mr. Parrott: Hearsay evidence.

Miss Crittenden: Mr. Chairman, I really don't know the details at all because it happened before I was deputy minister. But our director of personnel is here and he could indicate the reason for dismissal. It was long before my time.

Mrs. Campbell: Mr. Chairman, may I suggest that you aren't asking the reason? You are asking whether it is related to this.

Mr. Roy: Yes, I don't want to embarrass Mr. Carr. I just want to know if his dismissal was related to submitting this type of memo, which in my opinion was very valid; he was rendering a public service by submitting this. I think very few people in this room would disagree with the principles as set out in his memo, Mr. **Chairman.**

Mr. Hunter: Mr. Chairman, just for further clarification, to the best of my knowledge this particular issue had nothing to do with Mr. Carr's dismissal. If you wish, we can provide you with copies of the Public Service Grievance Board findings in reference to the merits of the case that we had in reference to Mr. Carr—

Mr. Roy: I would appreciate that.

Mr. Hunter: —but it was a series of issues. I'd be pleased to give you a copy of that.

Mr. Roy: Okay. I'll be pleased to supply you, Mr. Minister, with the documentation I have in relation to this property.

Vote 2603 agreed to.

On vote 2604:

Mr. Chairman: Mr. Smith.

Mr. Carruthers: I'd like to commend the minister for the very fine programme dealing with mental retardation. I'm very much involved in it—

Mr. Chairman: Thank you, Mr. Carruthers, but I gave the floor to Mr. Smith.

Mr. Carruthers: I'm sorry, I didn't notice that.

Interjections by hon. members.

Mr. Chairman: Mr. Smith.

Mr. R. S. Smith: I was just waiting for everybody to get moved around. I can hardly hear myself, let alone—

Mr. Chairman: Well, maybe we would wait for ever, you know.

Mr. R. S. Smith: I am sure you don't want to hear me anyway, with only 15 minutes left.

I have a few comments to make on the mental retardation programme since it has moved into this ministry. I think I did make some comments in my opening remarks, which I would expect the minister would answer now. I don't know if he wants me to raise those questions again. I can never figure out what the hang we are supposed to do about those opening remarks, whether he just threw them out the window or forgot about them, or what he did with them.

Mr. Chairman: I think the minister said he would try to answer all points made during each vote.

Hon. Mr. Brunelle: I can make some remarks if you wish, Mr. Chairman. You might have to refresh my memory on some of the matters you brought forward.

One thing you were questioning was the mention in my statement about a five-year programme and I think the hon. member sort of interpreted this as being that we were trying to rehabilitate those who are in institutions within a five-year period. This is not our intent; it's a five-year programme that we are developing.

Mr. R. S. Smith: It's your hope but not necessarily your intent.

Hon. Mr. Brunelle: That's right. It may take us up to 10 years or maybe more. It's a long-range programme where we have to provide the resources within the community.

This is one matter, and I forget some of the other matters that he has raised.

Mr. R. S. Smith: There were some other matters. First of all, I would like to bring up a couple of things in regard to financing. Now that this has moved into this ministry it's now financed, as I understand it, more fully by the federal government. In dollars to the province it is around \$30 million.

Hon. Mr. Brunelle: That's right.

Mr. R. S. Smith: That's certainly not reflected in any increase in expenditures. What is really added to the increase in expenditures from last year is the federal moneys that you're going to get this year that you didn't get last year. There's no appreciable increase in cost to the province itself insofar as the mental retardation programme is concerned for this fiscal year.

I feel, and I think most people feel that it's an area where there's a continuous need, particularly now, for services to the older retarded who are trying to get back into the mainstream of life and into the work force, which is the strategy of your green book on a new retardation programme for Ontario.

I think it is really an opportune year for the province to move ahead with a great expansion in programmes because of the \$30 million of new federal money, and perhaps an addition of 12 per cent or 14 per cent, the same as every other programme is getting in this province, of provincial dollars. With that you would have had a new programme of perhaps \$165 million rather than \$145 million or \$146 million.

I'd like the minister to comment on why there is, really, the cutback in this area by the province, in so far as dollars spent, when you compare it with every other estimate, which has increased, almost without exception, right across the board.

Hon. Mr. Brunelle: Mr. Chairman, there is certainly no cutback in our programmes. It's just the opposite; it's an expansion in our programmes; in residences, in sheltered workshops and in the whole area of services and support services for the mentally retarded.

Mr. R. S. Smith: I didn't say there was a cutback in your programmes. I said there was a cutback in the percentage of expenditures of the provincial budget in this area. There has to be a cutback, because you're spending almost exactly the same amount this year as you spent last year. Your provincial budget this year has increased by 25 per cent? So there has to be a cutback, in comparison to the rest of the budget, of 24 per cent, in so far as provincial dollars are concerned.

Hon. Mr. Brunelle: In the book here, Mr. Chairman, the figures for 1974-75 show the total amount for mental retardation was \$112,570,400. In the estimates before us it's \$146,901,000. That is an increase of \$34 million.

Mr. R. S. Smith: This is practically all a federal money increase. That's what I'm talking about.

Hon. Mr. Brunelle: There could be additional funds in some other votes also. Mr. Al Gordon, the assistant deputy minister responsible for mental retardation programmes, could comment on this.

Mr. R. S. Smith: I knew they needed somebody from University Affairs over here.

Mr. A. P. Gordon (Assistant Deputy Minister, Programme Development): Mr. Chairman, I think the question of the funding is somewhat complex in a way. Some of the funding for the benefits that go to retarded people also come through areas, such as rehabilitation and also through some of the allowances, family benefits-type allowances and so on; but basically one of the problems we had this year in trying to develop a detailed implementation plan for this new community-based thrust for services and facilities for the retarded, was that it didn't appear feasible to try to parachute programmes in before the community was ready. It is something that has to develop and it would be our hope that over the five-year period covered by this five-year plan which the minister outlined in his opening statement, there would be some peaking in terms of funding in that regard.

At the present time we are just not able to start off full-tilt with all facilities operating and all people in place on a community-based programme. It was a programme where we did not deliberately say we will put in "X" dollars and be sure we spend them, but rather try to do a very detailed implementation plan which would allow us to build and start this process on its way.

Mr. R. S. Smith: But surely you are aware, and I am sure the Ontario Association for the Mentally Retarded have made you aware, of the specific financial difficulties that many of those groups are in across this province and their exacting need for money in a hurry; not only to develop new programmes, which may come within the scope of your general new programme or new outlook at retardation, but also to keep those which they have going. You people here have had no difficulty with money this year, because of that extra money. There is no problem, what you have has been built

by those people who are out in the community and who have built this programme over the province.

Basically, the spearhead within every community in this province has been through those associations and those people who have come together and provided the work. The spearhead has not come from this ministry, nor has it come from the municipal level. It has come from those groups of people, mostly parents of retarded, who are the ones right across this province who have developed what we have today. They developed the workshops. They developed the schools before they were taken into the school system. They developed the daycare centres. They developed the other type of centres. They have developed the special home programmes for small groups of people, certainly with assistance from you people along the way.

Hon. Mr. Brunelle: In partnership with our ministry.

Mr. R. S. Smith: There is no question about that, but the first fundings, and really the drive, has come from the community. In this year many of those groups across the province are having financial difficulty and you could have helped them out to a much greater extent than you are right now. I'll just go back to that one programme that the minister and I discussed last year at some length on three occasions during the estimates, and that is to do with the environmental centres.

Hon. Mr. Brunelle: The developmental centres.

Mr. R. S. Smith: Developmental centres. The minister finally said to me, we will fund them 100 per cent. He sent me a letter to that effect. I got the letter and I said: well isn't that great? They are going to spend \$200,000 more. When his programme came out, he chiselled it by 25 per cent or 30 per cent. They can't do anything in a full way and in the way they say they are going to do it.

Really, when I found out what happened I lost all faith in humanity, because I had a letter saying we are going to do it, I had a commitment from you right here in Hansard that we would do it by the fall, I had your letter of December. And what did you do? You went part way. You funded fully those children that were five years or six years old or older. For those children below that the parents still have to pay, in my area, the \$40-per-month to send each child there. Most of those families have three, four or five other kids; and they can't afford to do it.

What really bothered me was the fact that this year you had money to burn in your programmes. It is because you haven't contributed one extra nickel this year, as you have to every other programme across the whole government. You could have put that extra \$50,000 or \$60,000 or whatever the cost is—and it's not much more than that—

Hon. Mr. Brunelle: It is more than that.

Mr. R. S. Smith: How much is it, then?

Hon. Mr. Brunelle: I am just going by memory; I believe it would be an extra \$300,000

or more. As the hon. member knows, they are not paying more money if they have a child who is handicapped than for normal children, and with those who are under school age they are paying the same amount for their child to go to a developmental centre as if their child was normal. This is the formula.

Mr. Chairman: I wonder if this is a suitable place to break and we will come back at 8 o'clock.

It being 6 o'clock, p.m., the committee took recess.

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ESTIMATES, MINISTRY OF COMMUNITY AND SOCIAL SERVICES

Standing Social Development Committee *57*

Chairman: Mr. R. G. Hodgson

OFFICIAL REPORT — DAILY EDITION

Fifth Session of the Twenty-Ninth Legislature

Thursday, May 15, 1975

Evening Session

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

THE QUEEN'S PRINTER
PARLIAMENT BUILDINGS, TORONTO
1975



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LEGISLATIVE ASSEMBLY OF ONTARIO

THURSDAY, MAY 15, 1975

The committee resumed at 8:05 o'clock, p.m.

ESTIMATES, MINISTRY OF COMMUNITY AND SOCIAL SERVICES

(continued)

On vote 2604:

Mr. Chairman: Mr. Smith.

Mr. R. S. Smith (Nipissing): Mr. Chairman, I think my friend from Ottawa East has a point of order.

Mr. A. J. Roy (Ottawa East): Mr. Chairman, with your permission, I will be subbing in the estimates of the Attorney General (Mr. Clement) later, and I just want to raise a point of order pertaining to information I discussed prior to the dinner break.

You will recall, Mr. Chairman, that I felt the ministry was funding what we call the Twin Valley Centre to the tune of something like \$30,000 a year and there seemed to be agreement from someone in the ministry. I think that figure was extremely low, and I just want to put that on the record.

You have undertaken to give me the amount of money—I don't think you have the exact figure now that is being funded—but I suggest to you that it is closer to \$100,000 per year.

If I might just explain, you are giving \$7.50 per day per student; last year, I think, you had about 28 students, so 28 times \$7.50 times 365 works out to something like \$75,000 per year. Of course, there is also \$200 per month for the special student that you define as being underprivileged; and that works out to around \$28,000 or \$30,000.

I am suggesting that your ministry is involved with this group to the tune of close to \$100,000 per year—depending on the number of students involved, of course—rather than \$30,000. Perhaps you would check that.

Miss D. Crittenden (Deputy Minister): Mr. Chairman, our director of accounts is here, and we can get that figure. Since the estimates of the Attorney General aren't on now, are you going to be here until they do go on?

Mr. Roy: They go on in the House at any time now, I understand.

Miss Crittenden: Not for a while yet, I understand. At any rate, we can get that figure if you are going to be here for another half hour or an hour.

Mr. Roy: Well, I will just be in the other place. I can be called back, I suppose.

Miss Crittenden: Which do you want us to do?

Mr. Chairman: I wonder what your point of order was.

Mr. Roy: Mr. Chairman, my point of order is that the ministry official agreed with me that the funding was in the order of \$30,000; I suggest that is not accurate, that the funding is closer to \$100,000 than \$30,000.

Miss Crittenden: Mr. Chairman, we will get the information.

Mr. Chairman: First of all, Mr. Roy, they have agreed they would get the figure.

Mr. Roy: Yes—

Mr. Chairman: He agreed a ball-park figure would be at least \$30,000. I don't think—

Mr. Roy: But I am suggesting that the figure is not \$30,000; depending on the number of students, of course, it would be closer to \$100,000 than to \$30,000.

Mr. Chairman: It might even be higher than that.

Mr. Roy: It could be higher, but I just didn't want the ministry to think that if they got to the point of \$30,000, they might just be talking about the special \$200 per month and not the \$7.50 per day—

Mr. Chairman: I don't think they missed the point you raised—

Mr. Roy: Well, I just wanted to be clear—

Mr. Chairman: They were to get the figure.

Mr. Roy: Okay. Thank you, Mr. Chairman.

Mr. Chairman: Mr. Smith.

Mr. R. S. Smith: I was talking about developmental centres when we stopped off at 6:10, and I outlined the commitment I thought I had from the minister that they would be fully funded. I just don't know how to put it again, but let's say I was damned disappointed when I found out that I had been misled. I feel I was misled, because I have a letter from you saying that they would all be fully funded; that's what the letter said. But what happened was that those who are of school age are fully funded, those who are not of school age are not fully funded.

In my area at least, and I know the same applies across the whole of the province, there are a good number of students whose parents are now having to pay \$30, \$40 and \$50 a month to keep their children in these developmental centres. I don't think that's right. In fact, you got \$30 million of scot-free money from the federal government this year to fulfil the commitment that was made by this minister and by this ministry of even \$300,000, if it is that, which I question. The total funding last year, we figured out—I checked the estimates at supper time—was going to cost you somewhere between \$250,000 and \$300,000, but you did about three quarters of that. So I really think we're talking about \$70,000 or \$80,000, which is a paltry sum of money beside the \$30 million you got from the air, from the federal government.

On the other hand, there's the \$30, \$40 to \$50 a month which these families have to pay; and these families have extraordinary costs to start with. Many of them, not all of them, are in the lower income bracket and they have to put out that money and the rest of the family has to suffer.

If their incomes are \$6,000 or \$7,000 a year, they're in the group we are talking about for supplementing income, but we haven't done anything yet. Then they have the additional cost for this one child in the family—sometimes even two—who is rather a sad case; but on the other hand they have to find that money so it has to come out of what the expenses are for the rest of the family.

There's no way, first of all, that the mother can keep that child at home; and secondly, there's no way that the child can be given any type of opportunity unless he's provided with the right to go to that school.

You must remember that most of these schools are started by local initiative. Most of the facilities in the community except, perhaps, for those of the last four or five years, are there not because of this ministry but because of local initiative. Local initiative in this whole area has been far greater than any government

initiative from any level of government, and I include the federal, the provincial and the municipal. In some cases, even the municipal has been far more generous with them than you have.

Hon. R. Brunelle (Minister of Community and Social Services): Yes, Mr. Chairman, I agree with some of the remarks the hon. member is making. It's quite true the local associations for the mentally retarded have done some very dedicated work and we're entirely in agreement. I said this again on Monday at the opening of the conference, the annual meeting, in London. And we've said this repeatedly. At the same time this government has also given leadership and has given assistance.

With reference to your remarks about the funding of children under school age, I haven't got the letter before me, but it's quite true when I wrote to you it was my hope they would be funded at 100 per cent under school age. However, just because—

Mr. R. S. Smith: It was not only your hope; you said to me they would.

Hon. Mr. Brunelle: No, I'll get a copy of the letter tomorrow. At that time, this was in June or July, I forget.

Mr. R. S. Smith: You made the commitment here and it's in Hansard; I think it was in late June. I wrote to you in September and said, "The school year is now upon us; when are you going to do something about it?" You replied to me in November that there would be full funding. The announcement was made in December and it turned out that it wasn't full funding. It was full funding for those of school age but partial for under school age.

Hon. Mr. Brunelle: What happened is that when I wrote the letter it was my hope we would be able to fund 100 per cent those who were under school age. Those who were of school age would be funded through the normal process; there would be no additional costs. However, when this matter was brought to the attention of Management Board it was decided that parents of those children should pay the same as if their children were normal, no more and no less. That's why this formula was arrived at.

I believe it works out that about 89 per cent to 90 per cent of the cost is paid. At the same time many low wage earners and children of families on social assistance do not pay anything because it applies the same as the regular daycare programme; its part of the needs testing. Many do not pay anything. The cost

of transportation is also included in the operation costs of the developmental centres.

Mr. R. S. Smith: There are many at the low income level who are paying \$40 a month in my community. I've had them come to me and show me their pay cheque, show me the number of children they have and how much they're paying each month to send their kid there. It's \$40 a month.

Hon. Mr. Brunelle: I have not received one letter of complaint from any of the associations or from any of the parents.

Mr. R. S. Smith: Maybe you're isolated.

Hon. Mr. Brunelle: Normally, when they have complaints they do not hesitate to make their views known.

Mr. R. S. Smith: They don't hesitate to make them known to me, either, and I've certainly had them on this and I've relayed them on to you. The whole point here is, that there was a commitment as far as I am concerned.

Hon. Mr. Brunelle: When you say a commitment, what do you mean?

Mr. R. S. Smith: Okay; you get the letter and read it, or I will.

Hon. Mr. Brunelle: That was my hope. As I said earlier, I haven't got the final say in these matters. When it comes to a financial matter, that has to be decided by Management Board. In their wisdom, they thought this was the more equitable way of dealing with this formula.

Mrs. M. Campbell (St. George): They are treated like the people on family benefits, unless they are about to work.

Mr. R. S. Smith: These people, as far as I am concerned, should be treated the same as the people in the regular school system. They have not been treated traditionally as people in the regular school system, and your government has not treated them traditionally as people in the regular school system.

Hon. Mr. Brunelle: They are now.

Mr. R. S. Smith: They are now, but they weren't for 20 years.

Hon. Mr. Brunelle: You should deal with the present tense.

Mr. R. S. Smith: I am dealing with the present tense; and you've got to deal with them now.

Hon. Mr. Brunelle: Children who are handicapped are treated today, those of school age, the same as normal children.

Mr. R. S. Smith: I say to you there was a commitment made by you in this committee, and by letter. That was not what the policy was in the end. That is what disturbs me.

Hon. Mr. Brunelle: It doesn't disturb me.

Mr. R. S. Smith: If you made a commitment and it is not fulfilled and it doesn't disturb you, then I am rather surprised. That is as kind as I can be. I could be much less kind and still be within the bounds of decency.

Anyway, we will go on from there, because there is obviously no use arguing any more with you about it; you have made up your mind.

Hon. Mr. Brunelle: The policy has been decided. This government is a leader when it comes to mental retardation.

Mr. E. W. Martel (Sudbury East): Who says that?

Hon. Mr. Brunelle: Just go to other jurisdictions in this country.

Mr. Martel: You just told me that. Does that mean I am supposed to believe it?

Interjection by an hon. member.

Mr. Chairman: I think, Mr. Foulds, that was uncalled for; that could well be a point of privilege with any back-bencher.

Mr. R. S. Smith: The leaders in mental retardation have been in the communities in this province, not here.

Mr. Martel: Not in this government.

Hon. Mr. Brunelle: I agree with you.

Mr. R. S. Smith: I would like to know what you had to do with any of the developments in North Bay until they were developed; or in any other community until they were developed? You come in at the end of the line, so let's not talk about leadership. The leadership was from the community and from those associations that were formed mostly by parents of children who were mentally retarded.

Mr. Martel: Despite the government.

Mr. R. S. Smith: They went along without any assistance from any level of government. The first assistance they got was from the municipal level in the form of grants of land or something like that on which to build their schools. The provincial government finally

came into the act after they had done at least half the job. Now you come along; and you get most of your money from the federal government anyway, or a good portion of it. This year you get a lot more. It is not being directed, as far as I am concerned, in the proper channels.

But that is a decision that you people wish to make, and that's your responsibility. I'd like to ask a few questions in so far as your new programme is concerned. It is really not very new, it is a reshuffling with a little different emphasis on the programme in so far as the individual is concerned. Perhaps an attempt will be made to bring the retarded more into the mainstream of the community life. I suppose this is the main goal, and theme, of any new programme that is to be created.

Has a co-ordinator for mental retardation been appointed within each district?

Hon. Mr. Brunelle: I'll ask Mr. Gordon. My understanding is that several co-ordinators have been appointed.

Mr. A. P. Gordon (Assistant Deputy Minister, Programme Development): There is one in every district.

Mr. R. S. Smith: There is one in every district now?

Mr. Gordon: Yes.

Mr. R. S. Smith: What is his official function? What does he do? What does he co-ordinate?

Mr. Gordon: Basically, his or her primary function is to work in a co-ordinating secretariat position to assist the OAMR, the district director and the various people who work on the district working group. The district working group is the key element, in our terms, for the development of the community-based programmes. With the district working groups they will be channelling proposals for development and various types of things, whether it be accommodation or work in training or other services and so on, and will be recommending decisions. This person is a full-time facilitator, if I could use that term.

Mr. R. S. Smith: Are you aware of the dislocation the change in emphasis has caused in many of the associations and their inability to grasp, really, what the government is trying to do and to work along with the government? There have been difficulties.

Mr. Gordon: Mr. Chairman, we are acutely aware of that. It was what I was alluding to earlier when I said it's hard to introduce programmes ahead of the community's readiness.

Mr. R. S. Smith: In other words, you think your programme is ahead of the community's readiness?

Mr. Gordon: No, the province varies greatly from one area to another. Some districts are far better served than others in terms of facilities, services, staff and everything else. Others are more ready to undertake the kinds of projects or tasks they would like to do and with less assistance. It varies from one area to another.

Mr. R. S. Smith: Yes. In other words, we have a very uneven service across the province?

Mr. Gordon: Indeed.

Mr. R. S. Smith: This is what you call No. 1. I ask the minister, this is what you call No. 1, when the service is so very different in so many areas of the province for the same type of person. It undermines your whole argument that the government has done so well when it has such an uneven service.

Hon. Mr. Brunelle: We have certainly done well.

Mr. R. S. Smith: Obviously, as far as I am concerned, you've done so poorly and you have such uneven service because you haven't taken the leadership.

Hon. Mr. Brunelle: You are giving very negative criticism. I thought you would be able to give something a little more positive, because this ministry—

Mr. R. S. Smith: You are negative.

Hon. Mr. Brunelle: —has done a lot in the last year. There have been I don't know how many meetings with the various mental retardation associations through the province. You should speak to the associations themselves.

Mr. R. S. Smith: I have spoken to them. How do you think I find out these things I have been asking Mr. Gordon? Do you think they come out of the air?

Hon. Mr. Brunelle: The way you speak, I think so.

Mr. Martel: It's the member for Nipissing's big research staff.

Mr. R. S. Smith: When I say something I know what I am talking about; I mean what I say. Some people don't. If you want to talk about negative criticism, we'll talk about negative statements. I won't accept some statements from some people from now on until they are fulfilled.

Anyway, the problem is that you don't have the same programme whatsoever in every area of the province. There is so much difference between what is in my area and what's in an area 100 miles away that you couldn't even tell you were in the same province. Sure the opportunities are there now, and with this re-organization and with the funding that is forthcoming, they may be brought up to an equal standard across the province. Those areas which have struggled through the years and have been really active have programmes far ahead of many other areas. Toronto has programmes which are far ahead of my area; my area has programmes which are far ahead of some other areas.

I don't think there is any provincial leadership when you have that type of service across the province. I think you have good provincial leadership when you have good service right across the province to all children, whether they are mentally retarded, as we are talking about, or physically handicapped or any other special group of that nature. You have a good programme if the programme is good, basically, in itself; and available to all.

That is what provincial government is all about; that is your responsibility. It is not your responsibility to have a good service here and a bad one there; or a half-assed one there and a fully-funded and good one here. That is not good government. What government is all about is to provide equally good service to all people across the province.

Obviously this has not been the case up to now. It may well change with this new funding and with the reorganization in the government. But, as Mr. Gordon says, there are some areas which can't accept the change as quickly as others because some are ahead of others.

I realize there has to be, maybe, a shake-down period every year or two, but there is a great amount of—not disunity but disruption within those people, within those organizations. A lot of them don't understand what the ministry is trying to do; and a lot of them feel frustrated in some of the jobs they are trying to do. They don't feel they are getting the proper funding in the proper areas covering what they want to do at their level.

Beyond that there is the whole question of who is to set the goals in a specific area of service. Are they to be set by the co-ordinator; or by the co-ordinator in conjunction with the local association; or by the province; or is there to be a standard set across the province which would be a goal for everybody?

Hon. Mr. Brunelle: As I indicated earlier, it is done in partnership with the local associa-

tion. As the member has mentioned this is a big province and it's quite true that in some areas they are much further advanced than others. It is a matter which will take some time to bring about. It think there has been a lot of excellent work done in the past year but we recognize that it's going to take considerably more work to implement the programme we have set forward.

Mr. R. S. Smith: Yes, but are you setting out a basis of service?

Hon. Mr. Brunelle: Yes, Mr. Gordon can answer that.

Mr. Gordon: Mr. Chairman, until a very few years ago every community was interested in having retarded people put away; well out of the community, thank you—and out of sight, out of mind. In the last number of years they've been trying to take another direction, which is the whole core base for our programme of community development. We recognize that it's impossible to impose on a community things the community isn't ready for, and that's why I mentioned the district working groups which will have to be the key element in decision-making.

At the same time we have to bear in mind also the fact that to get the kind of standard of which you've been speaking across the province, will require some decisions to be made centrally. We have to find a mix and match, if I can use that term, of reasonable interplay between the district working groups and the liaison group, for example, which we intend to co-ordinate at the provincial level with the provincial association as well as each region and district.

Mr. R. S. Smith: Who are the district working groups and who are they appointed by?

Mr. Gordon: The district working groups are a combination of people, of those interested and those who are providing services for the mentally retarded. They will consist of the district director, our own district director; representatives of the Ontario Association for the Mentally Retarded; representatives of other agencies, such as Children's Aid Societies and interested groups; and basically all those who have a working interest, if I can use that term, in the services.

Mr. R. S. Smith: You don't mean the OAMR? You mean the local chapter?

Mr. Gordon: The local, yes.

Mr. R. S. Smith: Will they have the right to establish the policy and the needs of the area?

Mr. Gordon: Yes, as I indicated, to a large extent; but in some cases that can only be a recommendation if we are to get some kind of standard of treatment across the province. It's a yes; it's not a simple yes but it's a qualified yes in some things. On those things which affect only their area, very definitely. On those things which are germane to or affect the whole province, we will have to obtain a consensus. It's for that reason we are intending to set up a provincial liaison group which would handle the input from these at the provincial level.

Mr. R. S. Smith: I see, okay. In some areas you are setting up a new type of unit in the setting of the psychiatric hospital. For example, in my area right now you are setting up a new unit in the North Bay psychiatric hospital. It's being set up by the Ministry of Health but will be taken over by you once it's set up. Could you explain to me what this is going to be and what it's going to do?

Mr. Gordon: Well, basically, the one to which you allude has not been transferred yet, but—

Mr. R. S. Smith: No, but changes are being made, physically, on the building. All you have to do is walk in there and look.

Mr. Gordon: Basically, it is to provide the kinds of services that are required for the people in the area at another facility. What the ultimate use will be, and its interrelationship, will depend to a large extent on the overall plans of the district working group.

What we are trying to establish with the district working groups is an overall plan. If you recall the minister's statement about the varying types of accommodation and services in work and training, we want a spectrum of facilities available to people. That would be one of the facilities and it would depend on the overall needs in the area as to the ultimate disposition of that.

Mr. R. S. Smith: You don't have a definitive statement as to what that facility will be or what service it will give.

Mr. R. J. Wilson (Assistant General Manager, Mental Retardation Facilities): Mr. Chairman, if I could make a brief statement to that. I believe this ministry had a commitment to establish facilities for the mentally retarded on the grounds of psychiatric facilities when an appropriate-sized unit was established.

Mr. R. S. Smith: I am sorry, when?

Mr. Wilson: When an appropriate-sized unit for the mentally retarded was established on

the grounds of the psychiatric facility. North Bay is one of those psychiatric facilities that is in the process of establishing an MR unit; and this will be a unit for the mentally retarded who have been cared for in that facility. When this group has been pulled together, it will be established as a schedule I facility under the Developmental Services Act.

Mr. R. S. Smith: As a schedule I facility.

Mr. Wilson: That's correct.

Mr. R. S. Smith: Could you describe a schedule I facility?

Mr. Wilson: Well, the schedule I facilities include the main facilities that are now established, and have been for some years, throughout the province; such as at Orillia, Cobourg—

Mr. R. S. Smith: Smiths Falls.

Mr. Wilson: Smiths Falls, that's correct. So it will be a schedule I facility the same as that.

Mr. R. S. Smith: And the mentally retarded, who are presently patients within the North Bay psychiatric hospital; or perhaps should have been, but were not because of the overcrowded situation, in the other hospitals of which we spoke, such as Smiths Falls and Orillia, will be moved into this unit.

Mr. Wilson: That's correct sir.

Mr. R. S. Smith: This unit, although it will be in the buildings of the psychiatric hospital which are run under the auspices of the Ministry of Health, will come under your auspices; the programme will be operated by your staff. You will have your own director there and your own psychiatric staff.

Mr. Wilson: Yes, it will be under its own staff. Where it appears to be the appropriate thing, certain services will be purchased from the Ministry of Health such as food service or housekeeping. Other services will be provided by staff that are part of this ministry.

Mr. R. S. Smith: Is it the intention of the ministry to move back into the home area the people from the area who are presently in facilities such as Smiths Falls, where they can now be visited about once every six months, apparently, by the parents? Will they be brought back into this unit?

Mr. Wilson: That's a possibility, but not necessarily something that will occur immediately. Sometimes the contact with the family has been lost or parents have died. You must remember that a lot of these residents are not

children. They're adults and a lot of them will have lost family contact at this point.

Miss Crittenden: Mr. Chairman, I would like to make a point here, as the deputy minister of this ministry. I feel very strongly that people should be brought to their home areas if they have any family left there. I am appalled when I hear of people being moved hundreds of miles away from their family. It bothers me very greatly. I would like see people brought home, wherever their family is.

If it turns out a sister happens to live in a place that is not their home, but the person could be established there, that's fine too. Wherever they have a family, they should be returned to that family so that there is a contact. This business of having people live a long way from any of their family or friends is wrong, and we will work toward bringing them back to their family.

Mr. R. S. Smith: Fine. I am happy to hear the deputy minister say that, because it's a thing that really bothers me and it bothers a lot of people particularly where children are involved. When you talk about children, sometimes they reach the age of 30 and they're still children, because the parent has not had an opportunity to live with them through their growing years, and of course the child is not developed either. So in a lot of these specific cases, there certainly is need of bringing the family together.

How many of these units will be established across the province, within the psychiatric hospitals or in some other available facility?

Mr. Gordon: Mr. Chairman, there will only be three or four at the most. What we want to do is develop an overall plan. Depending on the community, we do not foresee getting more established facilities for such purposes, but rather developing them. You recall the discussion about the core residences and the other types of facilities in communities; we hope to acquire those and frankly we hope they won't be, necessarily, large existing hospitals or other institutional type structures. Our goal is to co-ordinate development in a district so that ultimately the needs of that district are met within its own area.

Mr. R. S. Smith: Okay, but I think these people we are talking about in regard to this type of facility are those who are perhaps—I don't know how you express the degree of mental retardation—but let's put it this way, they are the worst cases. Obviously they are cases that, generally speaking, are not going

to leave the facilities, regardless of treatment or whatnot.

They have been in facilities, some of them, all of their lives, or perhaps all but the first couple or three years of their lives. These are the people we have had in about three areas of the province, and they have almost become lost members of families. I agree with this. They should be moved back into places like the North Bay psychiatric hospital, in one of the buildings there; or the Porcupine hospital, where there is lots of room that is not used because of the difference in the type of treatment that has been developed at that facility rather than what the original facility was built for.

You say there are going to be three or four of these across the province. Well, maybe that, plus the existing facilities, will provide what we are looking for.

Mr. Gordon: Mr. Chairman, you see, in an organizational sense we hope we will meet the needs by developing an understanding through the district working group. In an individual sense, we hope to develop individual programme plans which will best suit the needs of each person and that there will be a continuum of service to that individual, so they won't be separated from one type of service, and so those who can develop to be able to cope in a less controlled atmosphere, for example, may do that.

This is necessary not only as they progress, but so they may be able to move back to the facility as well, because very often it happens that if they have a big break when they make a move, then it's too traumatic for them. Our goal will not be to develop large-scale institutional buildings for these individuals but to provide for those individuals within their own community.

Mr. R. S. Smith: Yes, I understand that. We are through with the Smiths Falls approach, piling them in there like cordwood and things like that which went on for years. We're all aware of that. It's down now to a reasonable number that are treated.

Mr. Martel: Sixteen hundred.

Mr. R. S. Smith: Well, it is at least down to where you can see them when you walk in.

I've been there. I've visited those places and looked around. I agree that with these changes even those places are improved to a great extent, because there have been a lot of people moved out of Smiths Falls. What has been the decrease in the last year and a half at Smiths Falls—the Rideau regional hospital or whatever it is called?

Mr. Wilson: The Rideau Regional Centre has gone down by about 400 in the last year and a half.

Mr. R. S. Smith: From what?

Mr. Wilson: It has gone down from 1,800, I think, to about 1,400.

Mr. R. S. Smith: Do you have a goal as to what number it can reasonably provide services to?

Mr. Wilson: The rated bed capacity at this time I think is 1,250.

Mr. R. S. Smith: So you are still 150 above.

I have a few other questions. In the statement, on page 8, the ministry says: "When new financial resources are made available to the ministry, a major share will be directed toward the development of community resources." I would just like to ask the minister, doesn't he think this is the year when a new financial resource in large quantities was made available?

Hon. Mr. Brunelle: I am sorry, I will have to have you repeat that question.

Mr. R. Smith: In the first paragraph of page 8 of this book, it says: "When new financial resources are made available to the ministry, a major share will be directed toward the development of community resources." Don't you really believe this is one of the years when a major financial resource was made available to you and that it really was the time to move ahead quite quickly.

I know Mr. Gordon has said that it's hard to get all the communities to move ahead at the same pace and there's no point in spending money for the purpose of spending money unless the community is prepared to take it up and use it. But I am aware of at least three areas where they are ready to go ahead, where they have gone ahead and where they are in some financial trouble because they have gone ahead a little too quickly. Don't you think these new financial resources that have been made available to you could have been passed on to them to a greater extent this year?

Hon. Mr. Brunelle: Would you give us the names of those facilities that will be constructed?

Mr. R. S. Smith: They are basically organizations that are operating facilities.

Hon. Mr. Brunelle: Are you referring to the operational funding?

Mr. R. S. Smith: It is partly the operational funding and partly a case where in the past they have developed facilities at their own cost to a greater amount than is now being funded by your people. They find themselves with some of those old debts. They find themselves with operating costs that are skyrocketing and they find themselves with a shortage of funds.

In my area, for example, do you know what their costs are to operate per year and what they have to find? It is \$170,000.

Hon. Mr. Brunelle: Mr. Chairman, if the hon. member would give us the names of these organizations, we would be pleased to look into it.

Mr. R. S. Smith: I certainly will, but I am not prepared to make them public here.

Hon. Mr. Brunelle: No, but give them to us. We certainly will look into it and find out what the reasons are.

Mr. R. S. Smith: What I am asking you is, in this year of new finances that you have found, why don't you follow what you said in the book? That's your statement in the book and this is the year the new moneys came along.

Hon. Mr. Brunelle: But we are. I would like to mention, Mr. Chairman, that the hon. member made a point just before we recessed at the dinner hour that the amounts in this vote are not the entire amount that is being spent on mental retardation. The developmental centres were in the previous vote, as well as sheltered workshops. This amount of \$146,901,000 is not the total amount. It is substantially more than that.

Mr. R. S. Smith: Is that an increase from last year?

Hon. Mr. Brunelle: Yes, it is.

Mr. R. S. Smith: Whatever is above the \$146 million in the other votes is an increase from last year?

Hon. Mr. Brunelle: The actual amount spent on mental retardation in the fiscal year 1974-1975 was \$116,481,772.

Mr. R. S. Smith: That is exactly \$30 million less than this year.

Hon. Mr. Brunelle: Yes. As I said earlier, you should then add the amounts that are being spent in the previous vote for developmental centres and sheltered workshops.

Mr. R. S. Smith: Do you not consider sheltered workshops as part of the mental retardation programme?

Hon. Mr. Brunelle: Yes, certainly. In this fiscal year, 1975-1976, the old mental retardation programme, \$140,300,000; homes for retarded persons, \$6,600,000; vocational rehabilitation, \$10,200,000; and day nurseries or developmental centres, \$2 million; making a total of \$159,100,000. Last year it was \$116,481,772. So that is quite an increase.

Mr. R. S. Smith: How are we supposed to tell? I can't follow this.

Hon. Mr. Brunelle: I think you will appreciate it is difficult. The developmental centres come under services to children. If we have them all here, maybe somewhere along the line you would say shouldn't they be under some other area; so it's a matter of judgement as to where they should be.

Mr. R. S. Smith: It is a matter of judgement whether you consider it as a mental retardation programme or not. You don't consider it a mental retardation programme.

Hon. Mr. Brunelle: What do you mean we do not consider it mental retardation?

Mr. Gordon: Mr. Chairman, we certainly consider it as part of the programme, but we pay for it out of the vote that deals with that type of activity; the workshops out of the same vote in which we deal with workshops; and the developmental centres—daycare centres—out of the same vote in which we deal with that.

Mr. R. S. Smith: I find it very difficult to follow, I'll tell you. I felt when you are dealing with the mentally retarded they would be under this vote. That's what the vote says, so that's what I felt would be covered under this vote.

Okay, so you are then, in effect—after me asking you this for two days—spending some \$20 million more this year than last year?

Hon. Mr. Brunelle: Yes.

Mr. R. S. Smith: Of provincial moneys?

Mr. Gordon: I believe the figure is \$159 million not \$169 million.

Mr. R. S. Smith: One hundred and fifty-nine million dollars. So you are actually spending \$42 million.

Mr. Gordon: Forty-two and a half million dollars more. These are approximate figures; but within reason, \$42.5 million more.

Mr. R. S. Smith: Forty-two and a half million dollars more?

Hon. Mr. Brunelle: Yes.

Mr. R. S. Smith: How much of that is being funded by the federal government, including the new moneys this year.

Hon. Mr. Brunelle: We hope to recover about \$30 million.

Mr. R. S. Smith: In total.

Mr. Gordon: No, in the current year we anticipate in excess of that. The basis upon which we are trying to build this programme is on the basis of the money recovered the previous year. I think it should be noted that the money that is recovered from Ottawa, is money which has been available to every province and we haven't been collecting it until now. We have been carrying the whole load ourselves.

Mr. R. S. Smith: I realize that. Because you haven't had mental retardation under this ministry is the basic reason you haven't got the money from Ottawa. Is that not correct?

Hon. Mr. Brunelle: Yes, the community approach permits us to obtain assistance under the Canada Assistance Plan.

Mr. R. S. Smith: On page 8 again, in the booklet, it indicates, "the specific treatment and training objectives related to discharge must commence at the time of admission." That's another sentence that really bothers me. I think that may be the ultimate, but I don't think it should be applied to every child and I don't think it can be applied to every child.

"Parents and representatives of residences will negotiate a contract for care and service with a view to discharge as opposed to a lifetime of care in custody." I think that may well be a good motivation, but I don't think it applies to every case. There obviously are cases that are going to come in that might be better dealt with in another way. I think we discussed that on the opening vote to some extent, where I took exception to that 50 per cent in five years; I think it's terrible to have a goal like that. It's like selling Victory bonds or seeing how far we can get that red arrow up or something. I don't know, that kind of thing bothers me.

Hon. Mr. Brunelle: Mr. Chairman, on this point, what I said in my remarks was that we were developing a five-year programme. If the member is inferring from that that it will take five years, we have said it may be up to 10 years before we have—

Mr. R. S. Smith: But on page 4 it says—

Hon. Mr. Brunelle: Which document is this?

Mr. R. S. Smith: "A New Mental Retardation Programme for Ontario," dated May, 1974. It says, "Return to community of 50 per cent over five years—a goal of the new programme."

Mr. Chairman: What page are you on, Mr. Smith?

Mr. R. S. Smith: I am just reading off notes I made. But I think it was on page 4.

Hon. Mr. Brunelle: On page 4?

Mr. R. S. Smith: Yes.

Mr. Gordon: Mr. Chairman, if I might comment, in the last year, when we tried to develop an implementation programme which would outline in some detail the basis of which the minister spoke about in his opening remarks, the whole key to it, as I mentioned, was the individual programme plan.

Our desire is to provide a spectrum of community-based services, and some people will be able to leave facilities, others will need to be retained in them and still others will not go into facilities who might otherwise have had to; and where they in the past were only getting custodial care, will be able to get developmental care. The actual number we won't know until we have completed the job.

Mr. R. S. Smith: All right. I just don't want developed in mental retardation that four-speed application that we have in the educational process today, which is turning kids out, regardless of what they have got or what they have learned. I don't want that thinking to become prevalent in dealing with the mentally retarded in this province. I am really scared of that, because that's the pervasive thinking of the hierarchy of the educational system.

I realize you come from the educational system in here but it's not at the level you were at; it's at the level below what you were at. You know, you take a kid into grade 1 and force him right through to grade 13, regardless of what he picks up on the way; then you dump him on the labour market or into the university or the college.

I am a little nervous that those people who have developed the system may be trying to move in to try to develop this system in the same way. And I just cringe at the thought. When I look around at some of the high schools and some of the people being turned out of our educational system, I say to myself, "If they can do it to that system, they can

do it to any system." I am really worried that in five years we will get 50 per cent of them out of there. Boy, that bothers me, I'll tell you. And I think it bothers a lot of people, including the OAMR, because that has not been their attitude toward the treatment of the mentally retarded. I just don't want that same type of bureaucratic development to take place within this ministry that has taken place within education.

I am not sure, coming from the post-secondary level, whether that is all you heard from the colleges and the universities: "When are they going to give us some kids who can read?" or something like that.

Mr. H. C. Parrott (Oxford): Careful now, Dick.

Mr. R. S. Smith: You're not careful. You hear it every day over there.

Mr. Parrott: Yes, but I don't believe everything I hear.

Mr. R. S. Smith: I know you don't

Mr. Gordon: Mr. Chairman, if I might be permitted to speak, since comment was made about my background in this regard, I find it a real challenge in this ministry because they do treat people as individuals, as human beings. The whole key to this programme is an individualistic one and we are doing everything possible to try to maintain that. The basis of that is to try to maintain the initiative which the communities have shown in the mental retardation field and not lose track of that in our development programmes.

Mr. R. S. Smith: Okay, that's fine. That's the point I make. If you are saying that, I'm quite satisfied to accept that as being the philosophy of the programme that will be developed. On the other hand, I think we have the right to look at other programmes that have developed and have not been good—I feel anyway. Maybe other people disagree with me and they can disagree with me if they like.

Mr. E. P. Morningstar (Welland): Oh, you're doing a pretty good job.

Mr. R. S. Smith: Maybe other people do disagree with me but I feel there has been a real breakdown in our educational system.

I had just one or two other points that I would like to bring up later. I haven't got to the back of the book here. I have just made some points here out of the book.

Mr. Morningstar: Leave a little bit for Mr. Martel.

Mr. Martel: Thanks.

Mr. R. S. Smith: You never have to worry about him. He can always find lots left over.

Mrs. Campbell: He will probably come up with some more communications in your department. I think I'm going to raise a point of privilege pretty soon on that. I want equal sharing.

Mr. Chairman: Mr. Parrott has been here for two days waiting to get on.

Mrs. Campbell: I am talking about the sharing of communications.

Mr. Martel: Nobody is giving her any memos. Would you send her out a memo on it?

Mrs. Campbell: Yes, send me some of your secrets.

Mr. R. S. Smith: We have had an agreement since last Monday that we would finish tomorrow, but tomorrow never seems to come.

Mr. Martel: We have learned a lot in the last two days.

Interjections by hon. members.

Mr. Chairman: Do you mean we are just suffering through it now?

Mr. R. S. Smith: You are right. On Monday we had an agreement we would finish Tuesday. On Tuesday we had an agreement that we would finish Thursday. On Thursday we have an agreement, but I really don't care what happens after tonight.

Mr. Parrott: We will have to dissolve the House before we get these estimates done.

Mr. Martel: There were 142 new locks purchased for that ministry.

Miss Crittenden: Locks?

Mrs. Campbell: It won't do you any good. He's claiming he's got locksmiths inside handing it out.

Mr. Martel: That is the biggest expenditure for this week—the new locks.

Mr. R. S. Smith: I just want to ask one more question and then I will be finished with this. I want to ask Mr. Gordon if he could explain to me something about the new mental retardation programme, or the minister can explain. It doesn't matter as I don't care who answers. You talk about moving the child through the system and getting him back into the community. Could you describe to me the facilities for the average child?

You can't call a child average or you can't even talk about average children when you're talking about mentally retarded because there is no such a thing as average. But I would like to know the *modus operandi* that will be followed with a child after he has been put through the proper tests and the procedures of the psychiatric and physical examinations that determine his disability. You will likely plug him in in that one area. But let's take the case where you have to plug him in at the bottom. How will he hopefully work through the system?

Mr. Gordon: In developing an individual programme plan, in addition to the psychiatric and other specialized testing that will be done to determine his level of functioning, a social assessment will be done as well to determine his needs in relation with any agency such as a Children's Aid Society or other groups that are working with the family, the protective service worker or the family service worker, in this case, for children, and all those who are related. We haven't found a better term yet for protective service worker but it has been used. It is a system whereby that individual and his family will have someone with whom to relate.

On that basis then, the decisions will be taken that it would be appropriate for that person to go into a new core residence or to a special support home or a group home or a foster home or stay with his own family and get special support services in such terms as parent relief or other such things, when there are difficulties.

We're going to have to develop some of these services. They're not fully developed. Dental services are hard to find in some communities—things like this. So we hope to be able to have some continuing resource, in a social service sense, to the family and to the child or the adult in the family, which will allow reference, and that person will not make all the decisions because all those who are related in serving that need will help in making the decisions. We don't want the assessment to be a semi-mechanical, purely professional psychiatric or other—

Mr. R. S. Smith: Then are you going to have assessment centres? Or are people in my area who want to get a child assessed going to have to wait six months to get it done in Sudbury?

Mr. Gordon: I'm not familiar with this. Perhaps Mr. MacCoy can fill in more detail. I don't know exactly where we stand in terms of development. Ultimately, a person should be able to receive the assessment at a key

assessment centre within his region. We are tying in with this on the work that is being done in the inter-ministerial committee relating to education and health and so on, on diagnostic and assessment centres. That isn't fully developed yet. It is one of the things that we are continuing to develop.

Mr. Chairman: Can I interrupt for a minute? The House has adjourned. Do many of the members wish to continue?

Mrs. Campbell: Yes.

Mr. Parrott: Do we get time and a half?

Mr. R. S. Smith: Why did the House adjourn?

Mrs. Campbell: No business.

Mr. Chairman: They finished the estimates of Government Services.

Mrs. Campbell: Nothing on the order paper.

Mr. Chairman: I can't answer for the other place, but they apparently adjourned.

Mr. Martel: They went to Ontario Place.

Mr. R. S. Smith: Yes, they all went to watch their buck draw.

Mr. Chairman: Do we wish to continue?

Mrs. Campbell: Yes.

Mr. R. S. Smith: Well, I didn't go home on the 9 o'clock plane because this was on tonight. So I would just as soon stay here until 10:30. If I win \$100,000 somebody will let me know.

Mr. Morningstar: Keep your fingers crossed.

Mr. Martel: Don't they keep running the numbers in?

Mr. R. S. Smith: Okay, as far as assessment is concerned, is it going to be worked out with other ministries involved, on some type of regional centres?

Mr. Gordon: As Mrs. Campbell suggested, you can't divide people into nice little packages. Some of them have multiple problems. So we are trying to develop a co-ordinated approach to that.

Mr. R. S. Smith: In the area that I come from, where is the centre going to be that is going to assess these people, insofar as their multiple problems or their single problem is concerned?

Mr. Gordon: I don't know that it is established yet. At the present time, I would assume it would be Orillia, would it not?

Mr. Wilson: There is a diagnostic assessment service available, I believe, now right in North Bay.

Mr. R. S. Smith: In North Bay.

Mr. Wilson: There are clinics there and the people at Orillia provide resource backup to them.

Mr. R. S. Smith: In the psychiatric hospital?

Mr. Wilson: The staff of the diagnostic and assessment clinic are drawn from the North Bay Psychiatric Hospital, yes.

Mr. R. S. Smith: But they deal only with the one area?

Mr. Wilson: They deal with the area about North Bay.

Mr. R. S. Smith: No, but with the one area of psychiatric services?

Mr. Wilson: No, mental retardation assessments.

Mr. R. S. Smith: Yes, but not physical or social or all the other things?

Mr. Wilson: No, not social problems.

Mr. R. S. Smith: So it is not really developed to that extent yet—

Mr. Wilson: No.

Mr. R. S. Smith: — to the extent that Mr. Gordon implies that it will be?

Mr. Gordon: That has to be developed. It is not in place at this time.

Mr. R. S. Smith: I think those are all the questions I have in regard to mental retardation for now.

Mr. Chairman: Mr. Parrott.

Mr. Parrott: Can I first ask a question of you, Mr. Chairman? If we dissolve the House—and I am making the obvious assumption that we'll be returned—would votes 2603 and previous votes in this ministry carry when we come back in the fall? Is that the idea? Do we start all over again? I want to know how discouraged to be before I start. Are you ready to rule on that, Mr. Chairman?

Mr. Chairman: No.

Mr. Martel: With this ministry, I don't blame you for being discouraged, Harry.

Mr. Chairman: I think your contribution, Mr. Parrott, will be worthwhile, if you would please make it.

Mr. Parrott: I think you can do better than that, Mr. Chairman:

This is a very sensitive subject as far as I'm concerned, because I think it could be misconstrued, Mr. Minister. But my concern is relative to those people who are confined to either homes for special care or our hospitals, where they are placed in the same room as another person who is normal and in the hospital. It is distressing to them. And, as I say, I would like to divorce our minds entirely from the possibility that I'm talking about assimilating mentally retarded people into the community. It's just not part of what I'm talking about.

Is there a policy for yourself or from the ministry that would indicate that you think those people can or cannot be assimilated into the normal life of a nursing home or a hospital community or an active treatment hospital?

Miss Crittenden: Mr. Chairman, if I may speak on this matter, I'm not exactly sure what Dr. Parrott is talking about, but I know, from information I have and certain feelings I have that are very strong, that mental retardees should not be expected to share a facility with a psychiatric patient.

Likewise, I think they should be protected from any other kind of emotional disturbance that other people may have. They are less able to defend themselves; they're less able to take care of themselves. We, as a ministry and our staff, and the people that we hire—if it's a purchase of service—have a real responsibility to the people that we're paying to look after to see that they are looked after, not just physically but emotionally and in every other respect.

Since this programme was transferred to our ministry, I have been very shocked at certain information I've received. We will take every step and every measure in our power to assure that these patients are segregated from the patients who either have an emotional disturbance or a psychiatric problem.

Mr. Parrott: How about just plain pathological problems?

Miss Crittenden: Yes, that also. This is a very serious matter, and we are attempting to take every measure we know to protect them.

Mr. Parrott: I'm pleased to know that, because I think both of those people are under stress, and the additional stress is a very difficult thing to cope with. But I don't think it's working as well as it might in our nursing homes. Some of them are small and—

Miss Crittenden: Mr. Chairman, there's another point. The nursing homes have not all been transferred to us; the deadline for the transfers is Oct. 1. These are being transferred slowly to us. All the facilities have been transferred, but all the nursing homes are not yet with us.

Mr. Parrott: Are you suggesting then that in the near future we won't have a mix of homes for special care?

Miss Crittenden: That's right. I don't want any more mix.

Mr. Parrott: I know in our homes for the aged that's true.

Miss Crittenden: We will be getting from the Ministry of Health the nursing homes that have clients or residents who are mentally retarded; and at present they are mixed with psychiatric patients.

Mr. Parrott: Right. Or they're mixed with extended care patients.

Miss Crittenden: Sometimes they are by themselves, sometimes they are mixed. We will be getting these nursing homes; we want them segregated because they are our responsibility.

Mr. Parrott: And that will happen by October?

Miss Crittenden: This is one of the reasons we were not able to take the total programme April 1. It will be somewhere around Sept. 1 or Oct. 1.

Mr. Parrott: So that by that time then there will be absolutely no mixing of people who are under extended—

Miss Crittenden: It is our desire that there will be no mixing. When we were taking over the programme on mental retardation last April 1, I had just become deputy at the end of January, and at that time I indicated to Stan Martin that we would not accept mixed facilities. From my own knowledge of what happens in the facilities, you cannot expect the same kind of service in a mixed facility.

Mr. Parrott: Right.

Miss Crittenden: And, therefore, as you know, Woodstock was converted almost in a matter of two months to strictly a facility for the mentally retarded. CPRI already was. St. Thomas had one wing, and that was segregated. We tried to insist that what we were taking from Health was in segregated facilities and what we will take in the nursing homes—which we haven't got yet—will be segregated facilities.

We do not want to take a mix. We are responsible only for the retarded and we want to be sure we are responsible for them and we will look after them properly.

Mr. Parrott: Then by agreement with the Ministry of Health you are going to designate certain homes for either extended care or special care?

Miss Crittenden: That is my wish.

Mr. Parrott: Is that also the Ministry of Health's wish?

Miss Crittenden: Yes, that is one of the reasons we didn't take them April 1. Mr. Martin understood how strongly we felt and he agreed that if we can work this out it is much better to take the transfer with two sets of patients.

Mr. Parrott: I am glad to see that happen. I don't think it implies by any means that we are giving either of them second-rate treatment because we are segregating.

Miss Crittenden: No. The point is they require different treatment.

Mr. Parrott: I am very pleased to know that's happening. It certainly has been a problem in our community because of the large number of transfers in Oxford from the regional centre to the nursing homes.

I think one point was made earlier on which I would like a little more information. You said you were very strong in favour of having the mentally retarded close to their family environment. What if that should be contrary to the wishes of the family? It might be the right thing—I'm not going to argue that one way or the other—but what if it should be the desire of the family to leave a resident in St. Thomas when their home is in Woodstock? I am not trying to be parochial but to use that as an illustration. What if the family desired not to have the mentally retarded child returned?

Miss Crittenden: Mr. Chairman, I think the point the member for Oxford is making is very valid. I have some friends who have a child who is mentally retarded; they haven't wanted that child at home and yet it is an educable retardee. It would hurt the child more than anything else to force it back to the family; there is no point in that. There are many families who want their children and they should be back with them; but if they are rejected don't hurt them further.

Mr. Parrott: I am pleased to know that, too, because that has been a problem for me. The decision was made to bring the child home to

the community—this happens more than once because of the large number of facilities in our community—and the parent has not wanted the child and it has created some very serious problems. Now you are telling me for the record that that could be avoided?

Miss Crittenden: Yes.

Mr. Parrott: One last question in this area. When a person has Saturday leave, or whatever the proper term is, to go uptown, it presents some problems for the community—well worth accepting I think—nevertheless it does present some problems.

For instance, I think on Saturdays we have to place a few extra policemen in certain areas of the town. There is no real problem but everybody knows what is going on and it is treated very kindly and well. The question is, if I have made my point, that petty thievery in certain stores will occur more frequently on a Saturday afternoon. Everybody knows where it went and it will be back on Saturday about an hour later.

It brings up an interesting point. If we are going to assimilate these people into our community—we have agreed that is what we are trying to do—do you feel there should be two sets of standards: (1) for the person with that disability and (2) for the person without the disability? In other words, to be more illustrative of my point, if my child went to the same store I would expect the police might choose to deal with him in a very forthright manner and I would certainly support them. In this instance, we can't because it just doesn't make sense to do so.

The question I am making is doesn't the community have to make some adjustments to assimilate the mentally retarded into that community? Are you prepared to suggest that we will instruct the police, as an illustration, to deal with them differently from the way we would the normal child and how far can we go in that regard?

Miss Crittenden: Mr. Chairman, I personally think that some of these questions are really outside of the estimates of the ministry because they're asking for a personal opinion of how I feel, or how the minister feels about the police. This gets down to personal opinion when you ask do we instruct them to deal differently. You are talking about laws that the province has enacted. You don't instruct the police to change laws.

Mr. Parrott: I don't personally want the same laws. I think they are slightly different and have to be treated differently. I'm not

pushing for that. I think it's a social problem that we have to come to grips with and, failing to do so, we're not being realistic about it.

Mr. Chairman: You're really making the point, Mr. Parrott, that there is a community education programme that is necessary in this area.

Mr. Parrott: Yes.

Mr. J. F. Foulds (Port Arthur): On a point of order, Mr. Chairman. Wouldn't the question more properly be directed to the Solicitor General (Mr. Clement) as the chief law enforcer in the province?

Mr. Parrott: No, absolutely not.

Mr. Foulds: Sorry. As I understand it, Mr. Parrott is asking a question about the administration of law and although some of the argument may be peripheral to—

Mr. Chairman: That could be, Mr. Foulds but I also think the point Mr. Parrott is making is quite valid for this ministry in that they have to consult with the Attorney General about the matter further. I think the point he is making is that there is a community education programme necessary to accept the programme that has been outlined here of trying to integrate the retarded child into the community. But he's also making the point that there has to be some community education necessary for this to be a completely successful programme. That is as I see the point he is making.

Mr. Parrott: Right, and I take it this is not one of those things which works well by the minister making a statement in the House some day. This is something that works with the trial and error of a community and is a very necessary part of our growing experience in living with mentally retarded people. At the same time, I think that in a community such as my own, where we do see a large number of the retarded on a Saturday afternoon, there are some other social problems that I could deal with which are not quite as easily discussed in public such as petty thievery. I only use that as an illustration. There are other serious social problems that are, perhaps, almost too sensitive to talk about.

I think we do have to come to grips with such things as, what policy you are going to formulate relative to birth control. These are tricky problems. There is no doubt about that. I don't want you to say it's hard and black or it's written on page 35 of the book. I do want some assurance that we're doing some studies on it; that we're negotiating with other ministries, as Mr. Foulds would suggest; that we're

trying to educate the community and we're coming to grips with that whole problem because it's a very large one. It's a responsibility which all of us, as citizens, have and must take. I think it's also interesting to know the opinions of this ministry and yourself, Mr. Minister.

Hon. Mr. Brunelle: I would like to say a couple of brief words on that, Mr. Chairman. I am in agreement with what our chairman said, that there should be a community education programme. The other matter he also raised—the question of the moral aspect, or the question of behaviour, and the question of abortion, sterilization and so forth.

A committee has been established under the chairmanship of an official in the Attorney General's department. He's a lawyer whose name escapes me at the moment. There are representatives of our own ministry as well as the Ministry of Health included. It's a very difficult area because it has legal, moral, medical and other implications. They submitted an interim report a few months ago. This committee is still meeting and will come up with a final report on this very complex and difficult area.

Mr. Parrott: You've done some studies?

Hon. Mr. Brunelle: Yes. This committee under the chairmanship of Mr. Lloyd Perry in the Attorney General's department has done studies.

I would also like to mention in this whole area of mental retardation the great need for training of nurses and doctors and personnel. There is a tremendous need. There is a hospital at Oakville where they had a special programme which Dr. Harry Bain initiated along with some other doctors of the Toronto Sick Children's Hospital. This was well received and it is our intention to have similar training programmes in other parts of the province using that as a model for the special training of personnel to deal with the mentally retarded.

Mr. Parrott: Does a large centre in a community change the public attitude, do you think? Like the regional centre with 700 or 800; it is a large percentage of the population relative to the size of the city. Would that increase the public awareness of a community when a centre is situated there? Are there any studies on that? Is that how we assimilate them into our community better?

Mr. Gordon: Mr. Chairman, basically the community readiness about which I have already spoken includes the community's understanding and ability to cope with the specialized problems which occur. A large centre is more

sensitive, I suppose, and more attuned by virtue of so many of the staff who live in the community, working there and in association all the time.

However, the question of integration into the community doesn't mean that the goal is to have every retarded person behave in exactly the same manner and in exactly the same style as every normal person. Rather, it is to allow them to live as close to normal as possible and to live in a way which will allow them to use the generic services of the community as much as possible, rather than segregating them and providing all special services for them.

Therefore, to develop a community development programme will require the co-operation of all the agencies in the community, including the police, the Children's Aid Society, the homemakers' services and all these other things to tie in. That is why we are working through our district offices and the ministry operation along with those other agencies. Those communities which have fairly large facilities can provide an immense resource in helping the development of community readiness.

Mr. Parrott: That is encouraging to know, because it is an interesting social problem and I think it helps the community to have the opportunity to learn first hand. I don't see that as a disadvantage but I am sure 20 years ago we would have considered it a disadvantage. I think we have come a long way in this regard but I am not going to say the ministry deserves all the credit for it.

I think Mr. Smith had a point that indeed there were a lot of people who took the lead. At the same time I think it is fair to say there has been a pretty receptive attitude in the ministry because had it been antagonistic to the concepts the people were selling in their communities, I don't think we would have come as far as we have in as few years as we have. I would hate to deny Mr. Martel any more time. You have an hour.

Mr. Martel: I am not going to take an hour. I have three points I want to talk about however; on several I have been misled. Contrary to what the member for Nipissing said, this group can mislead you as well, I can tell you. In fact they have become experts in a short time. I want to speak for a moment about the nursing home in Sudbury—

Interjection by an hon. member.

Mr. Martel: —and I want to speak about the use of Burwash and on both I have been misled. Then, on behalf of my colleague from Ottawa who can't be here tonight, I want to

speak very briefly on the resource centre for the retarded adults in Ottawa.

I want to start with the nursing home in Sudbury. You talk about being misled; I am going to tell you this. This minister and his officials last year played the greatest game I know in telling me, in the House, in correspondence and in private, that the only people who would be allowed in the nursing home in Sudbury would be those who were bedridden. I might say I have visited the nursing home in Sudbury and I want to give that staff credit. They are doing an incredible job under terrible circumstances—not that the facility isn't good. It is a beautiful facility. But can you imagine roughly 100 retarded people all on the same floor in two corridors? They can go to their own rooms and, as somebody said, it's certainly better than what they had in Cobourg. And that is quite right, it is certainly better than there. But the audacity of this ministry to go on for months indicating that they were going to accept only bedridden patients. It took me a little time to understand why you can't do it. It had something to do with cost—I'll get to that in a moment.

Most of those young adults can mill about, and there is a great effort being made at the community level to establish programmes in the Jarrett centre to get them out of the milling-around process that occurs. Fortunately there are a number of very bright people working at the nursing home who are trying to establish programmes in the community to get them out. I give that group of people full credit because if it wasn't for them you would have mayhem, you really would.

What bothers me is this ministry's adamant position. You will recall I first raised this in relation to one of your former colleagues and his finger in the pie. I still believe that to be the case, by the way, Mr. Minister. As I continued to push this matter, I got a report that was supposed to pacify me—six pages of glowing stuff. And I went to see it.

The telling factor were the ten points of the programme that had to be developed. They were so far out. One of the points was: "We can take them to a park." You can take a kid to any park in Ontario. If you are taking them to a park near the Memorial Hospital, you are not walking them, you are taking a bus.

Whoever made up that report must have thought I didn't know the city of Sudbury very well. It said: "We can take them to a park." Sure you can. But it's a route march if you are going to walk; you had better bring a pack sack for each of them.

Mr. R. S. Smith: Lunch and supper too.

Mr. Martel: That's right. You don't play games like that.

The irony of it—my friend, the member for Algoma-Manitoulin (Mr. Lane) will appreciate it. I am talking about the little place right in front of the Memorial Hospital. I guarantee before we are done, you are going to have a young mentally retarded person killed going out on the road—because there is no yard.

I forgot that point. There is a little area at the back for cars. But for kids? Well if you get something 200 ft by 200 ft for 100 of them you will be lucky. You are right on the main artery leading to Toronto and into the city, and that traffic is heavy.

I took the member for Muskoka (Mr. Miller) there when they first made it into a nursing home, when he was a parliamentary assistant. He said to me, "They'll never get approval for that type of location again. There is no way." I believe him. Now he is minister, you won't see that.

You have 100 mentally retarded young people; I want to know what you are going to do with them in summer. We can try to supervise them and, as I say, I give the staff full credit. They have done remarkable work, they really have. But there are problems there, I don't care how you do it. I really don't know how you are going to get away from it. They tell me the long-term plan, of course, is to get them into the community. You have got at least another 135 from the Sudbury area. I want to talk about that in a moment.

But I just don't appreciate being misled, and I don't appreciate a report that is supposed to pacify me—a report which really is so telling in the 10 recommendations—six pages of glowing comment and then 10 major recommendations. When you read those recommendations, do you know what they are saying? "We really have to get moving on some type of programming otherwise we are in serious trouble." I say you are in serious trouble because of the location. It is right on the highway and there is no place for kids. It really bothers me that you have all these people milling around. You can't have them out of that building for what, four or five hours a day, maybe? Well, what do you do with the other 19 hours or 18 hours?

That's the second thing that bothers me, and not because it isn't a nice facility. It's probably better in terms of their own quarters—just two in a room—than where they came from. A very nice facility. But there just isn't enough area. I don't know how you are going to overcome that. Maybe someone can tell me how they are going to overcome it.

Before someone does that, Mr. Minister, I resent being told they were all going to be bedridden. I really do; because not one was bedridden—not one. I think today there are four who are in wheelchairs. The rest are ambulatory, totally.

Hon. Mr. Brunelle: Mr. Chairman, I haven't had an opportunity yet to visit this nursing home, but my staff has. Mr. MacCoy is here, and he visited along with others. I guess you are referring to the report that came out in January. I think you would like to be fair.

In the report it is mentioned that they acknowledge there are many areas that have to be improved—the recreation and so forth. There is quite a recreation programme being developed presently—bowling, swimming, crafts and so forth. They recognize there is a need for this; and also that the recreation facilities have to be expanded.

I think you also mentioned in your remarks that it is the hope that a certain number of these should be placed in time within the community.

Also in the report—I think it is on page 5—they have asked the residents about their feelings. A great majority were very happy to be there instead of being in the previous places. The reason they were transferred to Sudbury is because either their friends or their relatives still live in that area.

You mentioned the location, but I haven't seen it yet. I hope to visit it. I was in Sudbury about a month ago, but time didn't permit. I have heard from others, however, that the location is not a suitable location.

Mr. Martel: That's really what bothers me. That's what I am afraid of, Mr. Minister. It's like the old proverb; once the camel had his head in the tent, it was just a matter of time until the camel was in the tent and the occupants were outside. I am afraid that if we start putting our money in that basket, you know what is going to happen. Ten years from now we will still be arguing that there are people in there who should not be in that place.

I just have that fear—a gut feeling I have—that it will be so easy not to find money because you have got that place there now. Every time we are stretched for money, you will say: "Well, they are better off than where they came from." We will use the excuse, you know, that it's better and the inmates like it better. Sure, it's a new facility, and the staff is good. I must admit though, Mr. Minister, I just turned them all in to the Minister of Health (Mr. Miller), by the way.

Hon. Mr. Brunelle: This was brought out by the member for Nipissing, I think, and others. I come from the north, and I recognize that in northern Ontario we lack certain facilities.

Mr. Martel: Right, you have come to the second point. Well, maybe Mr. MacCoy wants to answer. I understand, Mr. MacCoy, that you are from Levac—is that correct? That's my understanding. Maybe we will get a sympathetic ear.

Mr. D. J. MacCoy (Director, Mental Retardation): I would be pleased to comment, particularly, on the plans that we have to rectify the situation for those residents. I think that's the most important thing I am concerned about, and that's essentially the role I have in terms of trying to stimulate new developments.

As you are certainly aware, I have had a great deal of contact with the association there, and also the staff within the facility through a particular individual who works for the association; and that is something that we have been funding. I think our concern in looking at the types of residents is that many of them could live in group living facilities. The association has told me as recently as two days ago that it has some plans in mind and it would like to make some proposals to us on this.

Also, as you mentioned, I think the Jarrett workshop is going to be a fantastic facility for the city of Sudbury. My concern however, is that the workshop doesn't go far enough—and people criticize me for that, I might say—but I think we have to develop some additional alternatives to that. I'm hoping our staff will work quite intensively with the association and many other groups in that area, incidentally, to expand into a number of alternative areas to the workshop alone.

I mentioned group homes a few moments ago, and I think there are many different types that we have to consider in relation to the different needs of people, the different levels of supervision required. But another point is recreation, which I think you have mentioned. I think you are probably aware that the report that was written couldn't have been written by me because I know the place, I know the highway and I know your point very well. The park the people were referring to, I'm sure, was Bell Park, and it is quite a distance away.

However, the initiative taken by the people from the Sudbury association interests me, because they've utilized facilities that I think retarded people should be using. There is a heck of a nice swimming pool at the university that I think all kinds of people should be

using, and I think that's fine. I would hope they'd also use the YMCA and a few other places as well, because we don't want to find that we have a special place for retarded persons or handicapped persons; we've got to use all kinds of facilities, and essentially they are looking at doing that.

With the types of proposals that they are going to bring forward, I am fully confident in looking at each individual that we will be able to develop a programme plan and perhaps satisfy some of the needs of those individuals. I know that there are some minor types of programmes going on there. There are some home-bound cottage types of projects for people. We know that isn't enough yet. We also know that the people who are looking at the problem are coming up with solutions, and they are people from the association and other organizations, including my staff up there who have taken a look at this.

Mr. Martel: I agree with you on that, but I have a concern that we are going to try to overemphasize recreation. You can't have them playing all day; they will eventually tire of that. When I looked at that report, there was so much emphasis on recreation that I thought it was impossible, we've got to have something and Jarrett will not accommodate them all. So I agree there have got to be other outlets in the community.

As I say, I have that gnawing fear that it could remain there, and I hope it isn't going to happen. But it's happening for a reason, you know. Let me tell you what the reason is. It's money. I wrote deliberately to the minister to find out what the costs were per day for institutional care. The figures I received for this coming year are \$37.83, \$31.18 and \$45.10 per day, dependent, I imagine, on the type of handicap a person has and the amount of care necessary. If you put him in a nursing home, the cost is what—maybe \$17 a day?

Mr. R. S. Smith: It's \$17.50.

Mr. Martel: It's \$17.50? You see, it's to the ministry's advantage to take them out of institutions costing as much as \$45 a day and put them into nursing homes, but they are already taxed there. Really, as I said, I've been critical; I've written the Minister of Health to look into the nursing home in Sudbury because it is low on staff. My information is that you had nurses' aides working shifts who weren't even accredited, when there wasn't a registered nurse in the entire home; in fact, they were giving out medication. That bothers me, because it takes more staff in the section of the nursing home where the mentally retarded

are, I would suppose, than in the other part of the nursing home where you have chronically sick people, the general type of person who's in a nursing home.

I don't know how they do it at that nursing home, except I think they take a lot of short-cuts. I've had the proprietor of the home tell me, no, they don't, yet I've had three young people into my office who were concerned about dispensing drugs because one of them still was only an RNA and hadn't written her final papers even for that or hadn't been accredited—I don't know how they do it, but she still wasn't accredited. She was dispensing drugs because on the midnight shift, she tells me, there was no registered nurse in the whole nursing home and there are five floors.

Staffing is going to cause a problem, because if it takes more in that ward—and there are 100 mentally retarded in that ward—obviously the money factor starts to enter into it. It's easier on the ministry's pocketbook if they can put them in nursing homes and take them out of institutions.

I was impressed with what Miss Crittenden said, because the other area I've been misled on is Burwash. When I started to raise Burwash I was assured that people would contact me and we would go in together to have a look at it. There's a man in Sudbury whom I've never met—not very many I haven't, but Dr. Woods is one of them—Dr. Woods is it? I'm not impressed, by the way.

I'm convinced they're looking at the whole thing there in tunnel vision. I told that to Mrs. Wallingford, that the group that's working there has tunnel vision in one respect: They're looking at getting the kids they can into the Jarrett nursing home. That's great. They're all looking at that group with great enthusiasm. I give them full credit for it. As I say, they've done a tremendous job. But there are those in Smiths Falls and places like that, 135 at least I'm told, who should be in the Sudbury region, who come from that region originally and we have a facility for them.

That facility happens to be 92 vacant homes. Vacant. Empty. Just remodelled, by the way. All new windows, all new aluminium, a central heating system—vacant. Owned by the government of Ontario. Costing \$500,000 a year to heat right now and sitting vacant.

They keep implying that I'm suggesting we use the prison. I'd be the last person to suggest we use that prison. But what, in God's name, are we doing paying \$41 a day, or \$37 a day, or \$31 a day, when we could put in each of those homes a middle-aged couple whom you could pay the \$61 a day to? In fact, you could

take out all of the people in Smiths Falls—the majority of whom I suspect aren't in the category; who are presently in the nursing home and who are much more handicapped, both physically and mentally, than the ones who are presently in a nursing home—and put them in those 92 homes.

But the community group has forgotten that group who aren't mobile and who aren't ambulatory. And this ministry has been phoney, because Dr. Zarfa's argument with me after he went there was, "We'll never be able to integrate them into the community." That's right, Mr. Minister, we're not going to integrate that group into the community.

Most of them are bedridden—much more handicapped, both mentally and physically—but why not get them close to home, as the deputy minister said tonight? You own the facility and you're 20 miles away from a hospital in a beautiful setting. We haven't even looked at that group; we won't even consider that group, because Dr. Woods has said no. Even the group that he was heading up then became inclined to agree with him.

I made the point to them that I'm not talking about those people who are ambulatory. I'm not talking about that group that you're going to get back into the community. I'm talking about those who are going to be with us, who are totally bedridden and in a place where the relatives can't even get down to see them maybe more than once a year.

I recall one year, when I spoke to the mayor and reeves in Sudbury a man from Sault Ste. Marie got up on the floor and he started to cry because he had just put his son in Smiths Falls the day before. Now, how does he get from Sault Ste. Marie to Smiths Falls?

I say to you, Mr. Minister, we have a facility, it's empty and it's ours. There are all kinds of suggestions which have been proposed for the usage of that. Even a couple of good Tories in Sudbury—you know what they've suggested? They sent this to TEIGA as one of the recommendations, that you close down the school of continuing education in Elliot Lake and you close down the school of mining in Haileybury and put them in Burwash.

I have written the minister saying that is the most ridiculous thing I have ever heard. You don't take away from the Algoma-Manitoulin area that facility which they need; or from the other communities that which they need. You start to provide services our people need with facilities which are there and are vacant and which we are heating. And you use people in the communities. I don't think you need that many professional people.

You have new single male quarters which was made for males because they were the only guards at Burwash; it's brand new. You could house professional people there, if you wanted. I think also the mentally retarded you could bring out could be looked after by middle-aged couples or some of the people from Elliot Lake, possibly, who can't work because of silicosis. They could look after two of these with the type of pension they'll get out of there. They could come down there; they'd have a home for themselves and they could look after a couple of these young people or even the middle-aged. They could do a magnificent job as long as there was the backup staff within the community to call on. It has all been washed out the window because Dr. Woods disagrees with it and Dr. Zarfas plays games with it and has ignored everything I have been saying because we want to integrate—

Mr. J. Lane (Algoma-Manitoulin): Mr. Chairman, if Mr. Martel would allow me a moment?

Mr. Martel: Yes, surely.

Mr. Lane: I don't very often agree with my friend from Sudbury East but he does have a very good point. I would hope this could be looked at again because we do own the facility and it certainly could accommodate these people in a very efficient manner. I have done some writing on this myself and I really hope the decision hasn't been a final decision because we do have some facilities we should be using, and he is very right.

Hon. Mr. Brunelle: Mr. Chairman, on that point I'd like to make a brief remark. Our staff have looked at that facility at Burwash and their findings are that they would not be suitable for this purpose.

Mr. Martel: Sure. Do you know why?

Hon. Mr. Brunelle: The buildings and the location are not satisfactory and if we—

Mr. Martel: For the reasons I am telling you. They are talking about those who are ambulatory; whom you can put into a workshop; whom you can get into recreation. I am saying there are those, I am sure, in Smiths Falls, who are bedridden; who will never be put back into the normal community, no matter what you try to do, because they are not ambulatory. Their handicaps are much much greater than the group we have in the nursing home in Sudbury.

We are talking about two vastly different groups here. That's what Woods and that's what Zarfas looked at. They said, "They can't

fit into the community." Right. We want to integrate those for whom it is possible into the educational system, into workshops, into a variety of places. But you must have a good many in Smiths Falls or Orillia who aren't ambulatory, who are much more handicapped, who need special care.

I am sure if you put two of those into a home—you are now paying \$45 a day in an institution—if you were to give that kind of money to a couple who were well screened—I am not saying go out on the street and pick up the first person who comes along; maybe you have to give them a couple of months' training. You talk about the people from Elliot Lake; you could use some of those if their families were grown up. Give them some training and they could look after a couple. Those homes would work in those instances.

If you want to talk—and that's what offended me, Mr. Minister—Woods and the others just looked at the one group; the group which is now in the nursing home. They ignored those more handicapped in totality and condemned them to stay in Smiths Falls. That's why I was so delighted when I heard the deputy minister say, "If we could bring them closer to home."

Surely we must be able to look at how many we have who are bedridden, who would be ideally fitted to be in that type of setting. It's a lovely setting. They would be 20 miles away from their relatives; not 500, 600, 700 miles but 20. The facilities are there and they are ours and we are paying a staff of 17 now to look after them. We are spending half a million to heat it. Surely we can look at it. As I say, I hope you haven't got tunnel vision, Mr. Minister; I am talking about a completely different group.

Hon. Mr. Brunelle: Mr. Chairman, I think I have an open mind. You referred to Dr. Zarfas. Dr. Zarfas, as you know, is one of the outstanding experts in the field of mental retardation in Canada. But we are prepared to have others take a look at this to see if they could be suitable.

Mr. Martel: I want to say I recognize Dr. Zarfas' abilities and the fact that he is an outstanding individual. I just think he missed the boat on that group I was trying to talk about. I couldn't communicate with him.

Hon. Mr. Brunelle: As I just said, Mr. Chairman, we would be prepared to have someone else.

Mr. Martel: If you send someone, could you have them contact me so that I could go? I would just like to go with them because it bothered me who went last time.

Hon. Mr. Brunelle: Also, there should be the local members from the Sudbury District Association of the Mentally Retarded.

Mr. Martel: By all means.

Hon. Mr. Brunelle: As the hon. member knows, we work very closely with them and this would have to meet with their approval.

Mr. Martel: Oh, certainly, I would be the last one who wants to foist it on them. I told Mrs. Wallingford they were looking at it with tunnel vision too. It upset her a little bit, but she got over it.

Hon. Mr. Brunelle: I would be prepared, Mr. Chairman, for them to have the hon. member along because I know very well that he will raise this again next year.

Mr. Martel: Maybe from a different capacity.

Mr. Chairman: You may be part of the association. You may be a resident back home.

Mr. Martel: I might be a resident; that's right. Around this place, I am aware that this is the only place where the inmates run the institution. That's obvious from tonight's performance, Mr. Chairman. I wouldn't say very much about the House leader.

I really know very little about this, but my colleague, the member for Ottawa Centre (Mr. Cassidy) asked me to raise the matter of the resource centre and I read briefly and quickly some of the material he left. I understand that today in the House the minister gave an agreement for two more months of funding on the facility there. I understand it is the only facility of its nature to serve the Ottawa area. Lanark county and others in that area outside of Ottawa use the facility at Rideau, which makes it possible. But I understand that for adults in Ottawa there is virtually no support. In fact, what prompted the ministry people to withdraw was the result of a vote taken last February.

During February and March the staff of the resource centre in conjunction with the chairman of the resource centre and the representative of the executive of the Ottawa District Association for the Mentally Retarded prepared a proposal for the continuation of the service to the adult retarded. This proposal was submitted to the Ottawa sub-district mental retardation reorientation work group.

On March 14, the mental retardation coordinator told that group that the ministry did not look favourably on specialized service for the mentally retarded. If that is right, there is

something strange. The brief that was prepared states that the representative of the Ministry of Education reported his ministry had closed its specialized service some five years ago and that this move failed and it is reintroducing it as quickly as possible.

It appears as though the Ministry of Education is moving in in the field at the same time as we are moving out, leaving no backup support for the facilities there. After a long discussion, it was decided unanimously that the proposal for the resource centre be forwarded to the district working group with a very strong recommendation that it be continued in principle. It is also interesting to note that during this meeting the district group reported on its meetings and its roles.

Ultimately, there was a follow-up meeting on April 25. The Ottawa work group met again and somehow this motion came to the fore, namely, to terminate the resource centre as of the end of May, the subgroup to reconsider the needs of the adult retarded as regards assessment services and the availability of information, and a new proposal to be submitted to the district reorientation work group. There was a vote.

Let me tell you how this vote occurred. Three persons voted for this motion—it's an interesting numbers game—one person voted against the motion, three persons abstained, two persons had already left the meeting by the time the motion came to the floor and four others were absent. So out of 13, three voted to terminate the centre, one voted to maintain it, three abstained and six, for one reason or another, were absent. It would appear that you people are going to support that, except for two more months, because of the ministry's good mood today, I guess.

Hon. Mr. Brunelle: I also mentioned that the centre was being reviewed and assessed in conjunction with the district association.

Mr. Martel: Yes, I'm aware of that, Mr. Minister. The only thing I'm trying to find out is why would it even be considered to remove it if it's the only adult facility available to the people in the Ottawa district who either need help or have young adults who need assistance. If there is nothing else, why shouldn't you fund it? I understand we do assist in other areas, such as Surrey Place—does it get assistance from this government?

Miss Crittenden: It's operated by us.

Mr. Martel: It's operated by you? How many other facilities similar to this one do you give financial assistance to?

Mrs. Campbell: The ones on page 79, aren't they? Schedule 1?

Mr. MacCoy: Mr. Chairman, in answer to the hon. member's question, that's a rather unique situation, and I'd be happy to explain the circumstances to some degree.

Mrs. Campbell: It sure is.

Mr. MacCoy: First of all, I would say that the type of service we are purchasing is from the Ottawa and District Association for the Mentally Retarded, and essentially it is a support service for families. It is not the only type of support service for adult mentally retarded people, but originally it was part of the child development centre in Ottawa that was transferred to the Children's Hospital of Eastern Ontario. It was thought inappropriate at that time to have adults going to a children's hospital for service.

In conjunction with the local association for the mentally retarded we decided to fund an adult resource centre on a pilot basis where, in effect, families that had an adult retarded person living at home or, in fact, an adult retarded person in a workshop, could receive an opportunity for reassessment and in some cases counselling, although there are many other types of counselling services available to the adult retarded.

The association, over a six-month period, indicated there might be some alternatives to having this actual resource centre. They had the meetings that you're talking about and actually have been asked to re-evaluate that original motion in the subdistrict working group.

Fundamentally, the working group is a body that we would ask to get together to discuss and plan things, and only at the most difficult decision points would use voting as a mechanism to make a decision. Generally speaking, they can discuss these things. However, I think there were some differences of opinion in the group.

Our commitment is that we want to continue that type of support capability. I spoke as recently as Tuesday with a citizens' group from Ottawa who met with me at the annual convention of the OAMR in London. In presenting me with their views, they indicated they would like to make a presentation to the working group and try to convince them of the importance of this particular facility. As I was leaving the conference, I saw them actually meeting with some of these people and beginning the negotiations.

I think the assumption on the part of the resource centre people that the funding was

to be cut was perhaps one of local infighting. That has not been the decision taken, because we have not been advised what they want to do in that community yet. We are waiting for their advice. I assume that they, as much as we, wish to continue that type of support capability.

Mr. Martel: Okay, that's what I wanted to know. The ministry is in favour of continuing support service for families.

Mr. MacCoy: Mr. Chairman, that's without question.

Mr. Martel: Okay. I think that's paramount in this whole issue.

Mr. Roy: Not long ago, you said in Ottawa, I believe—and you are quoted here:

It is really difficult to reorganize from an institutional model to a community one [said Mr. MacCoy]. We want the planning and the ideas for services to come from the local level, like a resource centre here and not from Queen's Park.

That's why we felt somewhat confused as to who was considering closing this, in view of your approach and your statements and the minister's response in the House today. We were all sort of walking around in circles saying, "Everybody seems in favour of it but the darned thing is closing."

Mr. Martel: It appears there is a little infighting going on.

Mr. Roy: I am much more optimistic this evening than I was a couple of days ago when I did not really know what was going on. I think that clarifies it to some degree.

I wonder if I could just add one further thing about this resource centre, and I mentioned something about it in the House today. I know the police department in Ottawa very well, having worked with them and against them on different occasions. I got a call from Insp. Polk, who has worked with people who have retardation and mental problems; he has been with them for quite some time. He was extremely distressed about the closing of this centre, because he said people from the resource centre come over to the Ottawa police department—from all the police departments in the Ottawa-Carleton area, in fact—and give lectures. He said it is extremely helpful, not only to rookies but to senior police officers who very often are the first people who have contact with people who have problems out there in the community and how to approach them.

He said it was extremely helpful to the police department that they were able to get some

knowledge from these resource people about how to understand what their problems were and how to recognize the difficulties of an individual they might encounter on their beat or elsewhere.

He was distressed when they got a letter from the resource centre, saying, "Sorry, no more lectures." They were sort of looking at each other, saying, "We have been really using this centre and we are very concerned about its closing." There has been a sort of unanimous approach by members of all parties about what's going on, and I am glad to hear the response because if we—well, what is going to happen now? Are you going to have a further meeting with the people down there?

Mr. MacCoy: Mr. Chairman, what we are awaiting essentially is a recommendation from the district working group for mental retardation as to how they want this service to continue. As far as we are concerned, it is an important type of service, a capability that we need in communities. We think we probably have learned a great deal over the past six or eight months we have been funding the resource centre. We are waiting for their desires as to how they want this service delivered.

Mr. Martel: Well, that's first-rate.

Mr. Roy: Again it is the type of thing that I think is consistent with your approach, even before I was a member here; I am thinking of the Williston report dealing with the problem of institutions and treating people and how to handle them in the community.

It just seemed inconsistent to all of us that this should be happening. So I am very pleased to hear that, Mr. Minister. We are sometimes very eager to criticize, and we do it deliberately, but when something goes right I think we should give you and your ministry a bit of applause, because we are very enthused about this.

Mr. Martel: Two very brief questions, Mr. Minister: Regarding the first of the demonstration programmes you outlined the other day, the four new types of facilities you are going to have, have you decided where any of those will go?

Hon. Mr. Brunelle: Are you referring to the community residences?

Mr. MacCoy: Mr. Chairman, I believe the hon. member probably means more than just residences or group homes.

Mr. Martel: Yes, I left your statement upstairs—I must apologize—but in your statement, Mr. Minister, I believe you indicated four

different types of programmes. How far advanced are we? Is that just on the drawing board yet or is some of that actually starting to develop?

Mr. MacCoy: Certainly, there are more than four or five programmes, Mr. Chairman. We expect to develop, I believe, four different types of accommodation situations this year. If the question asked concerns where they are going to go, I must say that we are awaiting, again, the various working groups in conjunction with citizen groups and local associations, to develop plans in the districts and to forward them through the system and develop their plans. At that point, we are going to know where they go.

Mr. Martel: Okay, how much money have you got for that? Have you got lots, so that people know there is lots so they get their bids in early?

Mrs. Campbell: Make it a contest.

Mr. Chairman: Have you got another brief question?

Mr. Martel: I have one other brief question. I raised it the other day. I'm still not sure what our intentions are with the schooling system. Is it the ministry's intention to put children in the normal classrooms or the smaller classrooms within the existing school site, or off somewhere else? I'm not sure because there is a real difference of opinion.

Miss Crittenden: May I answer this, Mr. Chairman? I think there are three school teachers or former school teachers here. I am one, I think Mr. Martel is one, I think Mr. Gordon is one, I don't know how many others.

Mr. Martel: You overlooked the minister.

Miss Crittenden: I think all of us—oh yes, that's four of us. Beautiful. But finally, I think all of us have a different idea about who are benefiting from the educational system at present as far as the retarded are concerned.

Mrs. Campbell: We're all wondering that.

Miss Crittenden: Well, we're talking about the retarded. The Ministry of Education is responsible for the education of people who are retarded, whether they are in the normal school system operated by a board of education or whether they are in a facility such as we have in our ministry. This is being co-ordinated under what's called special services of the Ministry of Education. It's different in different places.

There is a facility in Ontario that I visited recently. I went in the schoolrooms and talked to the children and talked to the teachers in those rooms. I had spent several hours with the kids in the schoolrooms and these are all educable children. A little later a bunch of children came in with their winter clothes on. These kids were coming in off a bus. I said, "Well, where are they coming from?" They were coming from the local high school. They received their education in the local high school. I was really very surprised. They are being educated in the secondary schools of the area and yet they are resident in a facility.

These are all educable children. I discussed this with the Ministry of Education. I felt it was improper that they be living in a facility if they were educable and, in fact, being educated in a secondary school system of the province. So, part of our role right now is to have these teenagers moved out of facilities into boarding homes, group homes, so that they can attend the secondary school system that they are already attending.

There are other facilities where the local board of education has asked to have the children brought in and educated in the schoolrooms in the facility and I don't approve of that at all. I think that's just bringing back the institution as the centre of service and I don't think that's appropriate at all. My feeling is that you put them back into the board of education system, where they belong. You don't bring them back into our facility. Where there are a number of children who, in fact, are going outside the facilities to the regular school system, they should be living in group homes with good housemothers and good, appropriate councillors living with them. They shouldn't be living in facilities. When you go down to children who aren't classified as educable, whatever education is available is the responsibility of the Ministry of Education, and it can be given appropriately within the facility. I think there is no question about that.

A child may be six or seven, just learning to tie his shoelaces and things like that; they are the responsibility of Education within the facility. But there is this other group of children who in fact are already receiving education outside the facility, and they should be moved out. You mentioned the other day about a child who ran a chalk across the board and was disruptive. Well, of course, I don't think that children should be educated outside of a group setting where there are other children with a like capability.

Mr. Martel: That's what I'm concerned about. Because other children can be cruel,

too. Kids are really cruel. But my final point, very briefly, is—are the homes for special care under Health?

Miss Crittenden: That's also being transferred to us as of Oct. 1.

Mr. Martel: Would you watch it? That's an institution on a small scale, really. In fact, in many instances, probably worse than the large institutions.

Miss Crittenden: There are about 300 or 400 all told.

Mr. Martel: Yes, but I'm saying they can be virtual prisons. I've seen some. There's one in our area that's just excellent. The woman who runs it does a magnificent job. She has all kinds of innovative ideas, like giving them a few pennies. They don't have a comfort allowance, by the way. I'm really amazed that in homes for special care they don't have two cents. They're not given a penny.

Miss Crittenden: Mr. Martel, at the present time they are the responsibility of the Ministry of Health. They are to be transferred to us, along with the nursing homes, on approximately Oct. 1. There are between 300 and 400 of these facilities. That's a large number, scattered all over, with different levels of care, and we can't take them back fast.

Mr. Martel: I don't think so, but I'm saying I think you're going to have to watch it, because there is where your problem is going to come from—the small ones where you can't watch them.

In the case I'm talking about, the woman came to me and we tried to get a comfort allowance. That was turned down. Then she asked for books so that she could try to help them do a few things at night. Do you know what somebody did? Some inspector from the ministry told her if she wasn't quiet she'd lose those adults; that she was causing too much commotion and if she wanted to lose them she was on the right track. All she was trying to do was find something to occupy them with.

My concern is that you won't find a lot of people with initiative there, and that, in fact, those could be more dreadful than the large institutions they live in. They'll be off with six or seven or eight, hard to supervise, as you say, and they could really become a problem. I hope you have it under pretty careful scrutiny from day one.

I only know of one south of North Bay, and the patient was sleeping on a piece of plywood. They released him from the institution in North Bay, they took him down to Trout

Creek or South River, there was a home there, and the patient was lying on plywood till the sister came to me about it.

I'm not saying that they're all like that, but I'm saying I think you're going to have to watch them. Because of the dispersed nature of them, the smallness of them, they could be worse than the institutions that we're taking people out of.

Mr. R. S. Smith: There's just one other point I'd like to make on that. There seems to be a growing tendency within those homes that many of them are owned by the same people, although they're not licensed by the same people. The licensee is in debt to the owner of the home, or under lease to the owner of the home, and the profit is really being siphoned off by the owner rather than the operator himself. I would like to see a policy where the operator and the licensee is also the owner.

Mr. Martel: But the rates are sick. I think you're paying \$7.50 a day.

Miss Crittenden: We are not paying a fee. It's the Ministry of Health.

Mr. Martel: The Ministry of Health is. But I think when you get it you should take a look at that angle and pay a little more and make sure of the quality of the home. And give a comfort allowance. If nothing else, give them a dollar or two a week.

Mr. Chairman: I wonder, Mr. Minister, if you would like to answer Mr. Roy's question? And then it's Mrs. Campbell's turn.

Hon. Mr. Brunelle: Yes. With reference to the Twin Pines centre, the payment to the centre to the end of February this year was \$29,617.50.

Mr. Roy: It was \$29,000?

Hon. Mr. Brunelle: The monthly average is \$2,600 and the estimated cost for the year is \$32,217.

Mr. Roy: \$32,000?

Hon. Mr. Brunelle: Yes.

Mr. Roy: Are you using the same formula, \$7.50 per day per child, plus the \$200 per month for the needy? I'm just wondering since, obviously, the number of kids has gone down.

Hon. Mr. Brunelle: Mr. Crichton will comment on the per diem.

Mr. P. Crichton (Director, Rehabilitation): I point out, Mr. Roy, that we are paying a

fee for service, at \$7.50 a day, that's based on a five-day week. I don't have the figures this evening on how many students, but I'm sure that it's not running much more than between 12 and 15 during a period. It's unlikely that a student would stay a full year in this programme. As I indicated earlier, it's an adjustment programme. So I don't think we can calculate on the basis of 20 students, 365 days a year. But rather an average somewhere between 12 or 15—which fluctuates, of course—based on a five day week.

Mr. Roy: My estimate was based on a previous year when you were dealing with 28 students; and maybe that was for the year 1973.

Mr. Crichton: The programme itself, as I understand it, has approximately 85 students in the programme at one time. But St. Clair College really refers the majority of students.

We are dealing with the students with specific adjustment problems. When I was there about two months ago, there were about 12 students in the programme under our sponsorship. But this fluctuates, due to the nature of the population we are dealing with. It is a highly transient population in many respects.

I might indicate also that this programme is really meeting the needs of a group of individuals who really can't be accommodated in conventional programmes in the community. We think that it's a little early to tell, but we think that there are some positive results coming out of the programme.

Mr. Roy: Yes, as I said, I never discussed the merits of the programme itself, because I don't know them. All I was concerned about, as I pointed out earlier, was this other business. I think you were under the impression that you were dealing with Twin Valley Centre, which is, in fact, the owner of the property.

Miss Crittenden: We are going to look into that immediately, Mr. Roy.

Mr. Chairman: Mrs. Campbell.

Mrs. Campbell: Mr. Chairman, I heard from my colleague, the member for Nipissing, about the great things in Toronto. I would just like to know, what have you done in Toronto since you took this thing over? I have a busy riding and I may have slipped up some place.

Mr. R. S. Smith: I didn't say since they took it over; I said before they took it over. They have only had it since April.

Mrs. Campbell: So before they took it over—you are right. What have you looked at in

the way of improvement in services and the variety of services needed in a city of this size?

Mr. MacCoy: Mr. Chairman, I think the important thing to point out in regard to Toronto is that we have engaged very intensively with the Metropolitan Toronto Association for the Mentally Retarded in planning over a long period of time.

I think year-to-year planning is not so much the issue for us in regard to such a complex community as Toronto. In fact, there are many communities within the city, obviously.

The types of initiatives that we are looking at with them are really in regard to tremendous expansion in group living. I think most people are aware that that's a problem in terms of bylaws and everything else. That requires pretty sensitive planning on their part and sort of co-ordinating their planning with us.

One of the major things we would like to point to as a development is that we have started a protective service programme with the local association. We have given them a grant to begin their protective service programme for retarded adults who, perhaps, are returning to the community and don't have a family to relate to or a significant adult to relate to. This is a beginning programme and will require tremendous expansion this year because I think both of us are learning what it means to manage that type of programme.

There are also family support services we have started to fund with the Metropolitan Toronto association. These family services include things like counselling and a beginning in homemakers' services, I think, which they are interested in developing. Also they have some interesting physiotherapy and occupational therapy which is quite different from institutional based therapy; it is sort of a visiting type of programme.

This is a beginning and I think in this past year we have simply been learning about these things. We look toward a tremendous expansion in these services over the next few years.

Mrs. Campbell: I wanted to know since throughout all the years most of the children who have required to be institutionalized have been quite long distances away from Toronto. What have you done in this programme to return them closer to their community?

Mr. MacCoy: Mr. Chairman, the plans with the association are to develop a significant number of group homes. I would say, without assuming any sort of commitment with them, that they said they could develop 100 group homes immediately. They told us that a few

days ago. We know, as I am sure the member knows, the difficulty in looking at that.

We have to find some alternatives to that. One of the commitments they have made is that of the group homes they develop, while many of the people who would live in them are already living in the city—perhaps not in the best sort of situation or they are ready to leave their families—half the places they are going to prepare, they have agreed, will be for people who could return from some of these outlying areas. This is part of the process we are developing right now.

Mr. Chairman: Is vote 2604 carried?

Mr. R. S. Smith: I just have one question.

Mr. Chairman: All right. We will allow you to make it.

Mr. R. S. Smith: I wanted to ask about the committee you referred to earlier, Mr. Minister; the one chaired by Mr. Lloyd Perry. What are the terms of reference of that committee?

Hon. Mr. Brunelle: They are looking into the whole area. I will be glad to make available the terms of reference. I am just going by memory. They are looking into the whole aspect of it. We have within the community of this very complex area the question of guardianship, the question of sterilization and so forth; this whole area.

Mr. R. S. Smith: As I understand it they were looking at the medical-legal aspects of it. Would that be a broad terminology which could be applied? Are you indicating they are looking into the question of sterilization of the mentally retarded?

Hon. Mr. Brunelle: I will be glad to send you the exact terms of reference of what the committee is dealing with. As I have said there are representatives from other ministries: Ministry of Health; ours; and the Attorney General. There is the legal, moral and medical aspect. I think the member can appreciate it is an area that needs clarification.

Mr. R. S. Smith: Yes, I fully appreciate that, but I find even the mention of the fact they are looking at the sterilization of any segment of society is repulsive to me.

Hon. Mr. Brunelle: Yes; well I think even now, within the institutions—

Mr. R. S. Smith: Without even looking at it.

Hon. Mr. Brunelle: Within the facilities, that is a difficult area at the present time. So naturally, when the—

Mr. Parrott: I don't understand that, Dick.

Mr. R. S. Smith: You have your moral ethics, and I have mine.

Vote 2604 agreed to.

On vote 2605:

Mr. Chairman: Are there questions on vote 2605?

Mr. Martel: Mr. Chairman, with the greatest of respect, I think your—

Mr. Chairman: I thought perhaps you had run down, Mr. Martel.

Mr. Martel: Pardon?

Mr. Chairman: Do you have questions?

Mr. Martel: Yes, I have.

Mr. Chairman: You mean I can't carry the vote then?

Mr. Martel: Right, you can't carry the vote.

Mr. Chairman: After question period tomorrow.

Mr. Martel: Yes, it won't take very long.

The committee adjourned at 10:30 o'clock, p.m.

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Ontario. Legislative Assembly

Legislature of Ontario Debates

ESTIMATES, MINISTRY OF COMMUNITY AND SOCIAL SERVICES

Standing Social Development Committee

Chairman: Mr. R. G. Hodgson

OFFICIAL REPORT — DAILY EDITION

Fifth Session of the Twenty-Ninth Legislature

Friday, May 16, 1975

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

THE QUEEN'S PRINTER
PARLIAMENT BUILDINGS, TORONTO
1975

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LEGISLATIVE ASSEMBLY OF ONTARIO

FRIDAY, MAY 16, 1975

The committee met at 11:05 o'clock, a.m.

ESTIMATES, MINISTRY OF COMMUNITY AND SOCIAL SERVICES (concluded)

On vote 2605:

Mr. Chairman: I will let you start, Mr. Martel.

Mr. E. W. Martel (Sudbury East): Mr. Chairman, I completely agree as usual. I have only a few comments. Have you had a large exodus?

Miss D. Crittenden (Deputy Minister): We had an exodus.

Mr. Martel: Right. What gives? Where's my friend David Cole these days? He's gone isn't he?

Miss Crittenden: We had a large exodus.

Mr. Martel: Right. What gives? Is everybody quitting or baling out or what?

Miss Crittenden: That's because we lost 170 or 200, all in one fell swoop too.

Mr. Martel: Oh, where did they all go?

Miss Crittenden: They went to work for the Ministry of Culture and Recreation.

Mr. Martel: No, no, I'm going to be more specific than that. Where's David Cole these days?

Miss Crittenden: I have no idea where David Cole is.

Mr. Martel: He's not with this ministry any longer or with the government, is he?

Miss Crittenden: I really have no idea, Mr. Martel; and I don't know what has happened to all the people who transferred either.

Mr. Martel: Dr. Zarfes has gone?

Miss Crittenden: He has not gone.

Mr. Martel: Where is he?

Hon. R. Brunelle (Minister of Community and Social Services): He is a professor at Western University and he's also a consultant.

Mr. Martel: He's just a consultant; he is no longer the director though? A man by the name of Starak?

Miss Crittenden: Mr. Chairman, this is quite incorrect. The University of Western Ontario medical school asked us to assist them to establish a chair of mental retardation, which we are doing, and Dr. Zarfes is doing that. The government of Ontario is paying him. He is on our complement and he is attending many of the meetings of the ministry.

Mr. Martel: What about the acting director of staff training and development, a Mr. Starak or something like that, is he gone too? And four consultants with the children's service bureau, are they gone too?

Mr. J. G. Anderson (Assistant Deputy Minister, Programme Delivery): Mr. Chairman, Mr. Starak left the ministry about last August I think. At that time he took an extended leave of absence. He has been working with us as a consultant on assignment since. He took a job with Humber College in the social services department of that community college.

Mr. Martel: And you've lost four consultants with the children's service bureau?

Mr. Anderson: I'm not sure of the identity of the consultants you are referring to.

Mr. Martel: There has been a bit of an exodus. My information is there is a certain amount of fear that once the election is over there is going to be a fair number of people relocated throughout the province. They are baling out now rather than be forced to other parts of the province if decentralization ever becomes a reality, rather than just on paper. Is there any truth to that rumour?

Mr. Anderson: Mr. Chairman, we are working towards decentralization in a number of areas. There has always been, I think, a mobility in social services; not just in this ministry but in such areas as municipalities, Children's Aid Societies and private agencies. There is a mobility in those services, but as far as decentralization being a factor is concerned that hasn't been indicated as a reason for any of the resignations I have been aware of.

There have been major changes in our training section and we have appointed a new director. The people who were there as trainers were basically contract personnel, some of them short-term. Some of them, I don't think on the basis of decentralization alone, perhaps felt we were moving in different directions which might not have been compatible to their own areas of interest. Some of them have moved out for that reason as well as for others, I think.

There was perhaps an emphasis over a period of time on sensitivity-type of training, an emphasis on gestalt training, and that is possibly not an emphasis right now. These kinds of things do cause shifts in trainers generally and people who are in that kind of a field. I think Mr. Starak, to whom you referred, was one of the leaders in that kind of an area and some of the people associated with him probably felt their interests were not as strongly identified once they lost that particular leadership.

These things do occur. I think there is a very strong interest in the development of training and staff training development. It may be a slight shift in philosophy which was not acceptable to some people, but I think that is one of the things we understood and they understood in that particular area.

Mr. Martel: I am trying to find out why you have lost some staff.

Mr. Anderson: That is one particular branch of the delivery section which probably could be picked out as one which had a major shift in staff, a major reallocation. We have made, we think, very suitable replacements for the bulk of the jobs there. In the long run, decentralization will probably affect those people, because we do want trainers allocated to the areas to work with the specific training needs which are identified in the areas, as opposed to centralized training.

This, again, has not been in effect or been a factor in the changes up to this time. It could affect the situation later on, but I would assume then we will be increasing our training staff rather than decentralizing the very small nucleus we have developed right now.

Mr. Martel: I have two other questions, both dealing with this. We decided at the beginning to hold these until the end. What size budget has each of the five area directors or whatever you want to call them?

Hon. Mr. Brunelle: Executive directors in each of the areas.

Mr. Martel: Dr. Williams being one of them; Mrs. Etchen and Mr. Willems, I believe. What type of a budget have they got to work with?

Hon. Mr. Brunelle: There are five areas and 19 districts.

Mr. Martel: Right, five areas and 19 districts. What have the five areas got for budgets?

Mr. Anderson: As an example the area executive director in northern Ontario would work with a budget of approximately \$100,000 for his own staff operation.

Mr. Martel: A hundred thousand dollars? He couldn't do anything with that. If you are decentralizing and giving these people the power to do the planning they see necessary for a particular area, \$100,000 is going to buy you stamps.

Miss Crittenden: Mr. Chairman, I think it bears pointing out that the philosophy of the ministry is to bring the delivery of the services to the local level, at the level of North Bay or Sudbury or Thunder Bay. This is where we are putting the bulk of our resources.

Mr. Martel: But surely if they are going to co-ordinate the development over that area or any one of the five areas—I don't know the breakdown of the 19 districts but I would suspect there are roughly four or five in each, exclusive of Metro Toronto—if your top man isn't well financed you haven't decentralized a thing, have you? They have no autonomy and they have no budget. Everything is decided. FBA and GWA are still decided here. In fact, you've not decentralized at all.

You might send a body out once in a while to northern Ontario by plane, but really your concept of decentralization and my concept of decentralization are totally different. If I am going to put a man of Dr. Williams' calibre out in the field, surely to God I am going to give him the power and the money to initiate jobs which he sees have to be initiated at the local area and at the local level. He doesn't have that budget.

I argued this last year and I remember the minister saying to me that it's all new and one can't expect very much as it has just been decided. It's a year later and they've got the magnificent sum of \$100,000. That will be their plane flights and their postage for the year. To introduce new programmes that might be needed in the Sudbury area, because it differs from Toronto as Thunder Bay differs from Sudbury and Sudbury differs from North Bay in the local initiatives required for a variety of programmes that might be under-

taken, requires funds, and he doesn't have the budget to undertake a programme.

Miss Crittenden: Mr. Chairman, I would reiterate that the budget is at the local level.

Mr. Martel: How much budget, then, has Mr. Belanger got at the local level?

Mr. Anderson: Mr. Chairman, Mr. Belanger's budget is \$482,000. I think this is the indication of the difference in emphasis. The question of decentralization doesn't necessarily mean total district autonomy or total area autonomy. On many of the things with which Dr. Williams, Mr. Willems as the western area executive director, and Mr. Amos as the eastern area executive director deal, they are consulted on a centralized basis. They have a maximum opportunity for input. It's on a central basis and a co-ordinated basis, among themselves and with myself and other members of senior management.

Mr. Martel: You have got \$482,000 for Mr. Belanger. How much do you have in total, then, for the five people at the top? Would their budgets total roughly \$500,000, given that Dr. Williams has \$100,000?

Mr. Anderson: Yes, I would think that is so.

Mr. Martel: Given that Mr. Belanger has \$482,000, if we multiply that roughly by 20 in ball-park figures, we are talking \$10 million. We are talking \$12.5 million of centralization funding for a province of eight million people. We are talking on a per capita basis of \$1.50 a head throughout the province.

You really aren't serious about decentralization. Mr. Belanger, for example, could use \$482,000, I suppose, in one or two programmes. Dr. Williams, could use that for his plane flights. You are not serious about decentralization, because they don't have the money and they are going to have to come to Queen's Park to get approval and to get funding for any major, let's say, exploratory things they want to do or innovative things they want to do.

There isn't enough money in their budget to do anything, either for Mr. Belanger or Dr. Williams. As I was fearful of last year, it's all window dressing.

Hon. Mr. Brunelle: No, in all fairness Mr. Chairman, it is not window dressing.

Mr. Martel: What do you call it?

Hon. Mr. Brunelle: It is our intention to decentralize more, but at the same time, let us take, for instance, the establishment of—I hate to use this as an example—a daycare centre. At the present time—

Mr. Martel: What about a multi-service centre?

Hon. Mr. Brunelle: No, let's take a daycare centre. At the present time if there is a municipality that wants to establish a daycare centre, it will get in touch with our district director; in turn, he or a member of his district staff will go and provide the information, the guidance and so forth. However, as you know—and you criticize us for the small amount—our daycare budget this year is \$1 million in, say, 20 districts. We have 19, but let's use the figure 20.

Mr. Martel: I used 20; that's right.

Hon. Mr. Brunelle: Twenty into \$1 million is \$50,000. You might think it would be advisable to allocate, say, \$50,000 to each of the 19 districts. But we feel it's best, when it comes to the total amount of the budget for daycare centres and homes for the aged, the capital projects, that they should be centrally located here so we can allot them where they are needed on a priority basis.

Mr. Martel: We've talked to Dr. Williams twice now—a very responsible group in the community—and I can understand why he can't say, yes, we'll put two field workers, as he'd like to, and a secretary in the multi-service centre in Sudbury, the rest of it being voluntary.

He's only got \$100,000. If he says yes to those three people—let's say \$12,000 each for the two field workers and \$6,000 or \$7,000 for a secretary—he's got \$70,000 left. After one project, he's got \$70,000 left.

If he does that for Sudbury and he does some other programme for Elliot Lake, if he's got two or three programmes, what has he got left? He won't even be able to fly back and forth to Toronto. It just doesn't make much sense.

If you are saying you are going to send someone to the north, fine. But don't call it decentralization with that type of budget and that type of structure. There is no potential for developing programmes needed by the area with that type of budget.

Sure, you can come back and get the capital for a daycare project and so on, but anything new and creative is just out. It just isn't there. And it isn't decentralized, because all of the decisions with respect to even FBA and GWA cheques are made here.

Nothing is decentralized about your system, except sending the odd body north or south. Maybe that's your concept of decentralization, but it isn't mine. As I said the other day, you can have an office in Sudbury but it's merely

an extension of Queen's Park, with no decentralization at all. That's virtually what you've got, I'm sorry to say; it's just a disaster.

Hon. Mr. Brunelle: Mr. Chairman, the member referred to the matter of benefits, say family benefits. Again, there are province-wide regulations and the computers are here, but the local districts have discretion if they want to—

Mr. Martel: You can't have it both ways, though, Mr. Minister. You can't say you are decentralizing and retain all the control here; you can't set up offices out there but give them no power and no budget. You can't call that decentralization. All I'm saying is that if that's your idea of decentralization, don't make a mockery of decentralization, because it isn't; it's nothing.

With a lousy \$100,000 budget, you couldn't have four demonstration projects in the whole of northeastern Ontario and you couldn't have more than 20 across the province using all five area people. If Ben Belanger has \$482,000 to work with, he's also got nothing that's innovative or new. You know, he couldn't even start a pilot project because he doesn't have the money.

There is just nowhere in the whole system where decisions will be made out there, based on money that's available out there with the people who've been given the authority to run the ministry in that area. It's just a sham. Your whole decentralization is merely paperwork.

Hon. Mr. Brunelle: Mr. Anderson may wish to comment.

Mr. Martel: Yes, go ahead.

Mr. Anderson: Mr. Chairman, I guess you can question whether or not it's decentralization when there is central funding, but the individual district directors certainly do have the authority to make presentations to Toronto. The money has to be appropriated not out of their own budget, but out of central budgeting.

We can point to pilot projects that have been supported by the district directors, recommended and developed by the district directors, sometimes in conjunction with private organizations, sometimes with a municipality. An example of a pilot project, that received funding and approval centrally it is true, but totally on the recommendations of the district director in conjunction with the area executive director, is a method of splitting responsibilities for taking applications and documentation for assistance through the municipalities, to the point that we are providing special funds for municipal employees to carry out work for us

so that there will be no duplication in taking family benefit and general welfare assistance applications.

The general welfare assistance worker is accredited, for that purpose, on a trial basis, but this does not have to come out of the local funds of the district director. It is true he has to make application for funds to be appropriated either from our central funds or by special Management Board orders. But even centrally, to develop some new programmes we don't always have the autonomy centrally to do those things without additional requests or approval.

So in many cases the district director works at that local level in the same way that a branch director would in Toronto. He must receive approvals, but he does have access to special funds and special programmes which don't form part of his budget.

As another example, in developing these budgets, for instance—it's a small item but it's typical of the kind of thinking that we've used in this first approach, and this is only the first year we've allocated budgets at all—there was the question of office equipment, furniture and so forth, whether we should allocate a specific amount to each district director. It became obvious that this was inequitable, and district directors and the area executive directors decided among themselves that the amount appropriated to the total delivery service should be kept central. In one year, it was reasoned, an individual district might move to new quarters and require total re-equipment. Other people, who had no major move but who had an appropriation simply for office equipment or furniture, might be tempted to use it up just because they had it in their budget for the year. So the decision was made, among those district directors, among the area executive directors, to keep that in a central fund from which they could requisition on the basis of their movements or their office needs for the year.

This is, again, only an interim step. We propose over the next period of time to develop an inventory for retiring furniture and equipment for each district office. But it has to evolve, not just in one year but over a period of time.

Those are minor examples, but it does indicate that the district directors and the area executive directors are working with the central organization to try to effect this kind of decentralized authority.

It won't work, I don't think, in the concept we have of decentralization for the long run even, that the decisions on individual cases can be any better effected by the district

offices. There was a long-term experiment carried out at an earlier date, possibly not under the same conditions that prevail today, where all mother's allowances applications were determined in the district offices, all the budgets were created in the district offices. What did occur under the mother's allowance system was that there was a wide discrepancy in the types of decisions that were being made and there was really no expedition of the cases. There were just these big backlogs in cases, because many of them relied on the district director, at that time the regional administrator's discretion, and he was on the road and involved with many other things over periods of time and there was just as much opportunity for delay in difficult cases. In many situations, the district director, under those circumstances, meets a case only once in a year that's handled routinely by a centralized body maybe 10 or 15 times in a year, and they have that backlog of information.

So there are situations where even the processing of cases can create wide divergencies in the type of decisions that are made and the same kind of delays can occur. So I don't think that at the present time the decentralization of decision-making on individual cases is one of the priorities for decentralized authority.

Mr. J. F. Foulds (Port Arthur): I just want to get in a specific question here on the strength of something that the minister said. Do I understand that you still need approval, Mr. Minister, from Management Board for certain expenditures that are included in these estimates, even after the estimates have been passed?

Hon. Mr. Brunelle: Yes.

Mr. Foulds: Even after the Legislature passes the estimates, the Management Board can deny that expenditure?

Hon. Mr. Brunelle: That's right.

Mr. Foulds: When did that start happening?

Miss Crittenden: About 1971-1972.

Mr. Chairman: About 700 years ago.

Mr. Foulds: In 1971. Your history is a little out there, Mr. Chairman.

Hon. Mr. Brunelle: Under the reorganization of government into policy fields.

Mr. Foulds: Under the reorganization of government.

Mr. Chairman: It is my understanding that parliament has always operated to some extent that way. It's about 700 years old.

Mr. Foulds: In the province?

Mr. Chairman: No, the parliamentary system and the way it operates.

Mr. Foulds: I don't think there's ever been a parliamentary system that operates the way this one does.

Mr. Chairman: It's pretty well done. The money is under control of the Queen's advisers.

Mrs. M. Campbell (St. George): We don't have a parliamentary system in this province, Mr. Chairman.

Mr. Martel: I can agree with Mr. Anderson. There certainly could be some difficulty with FBA. I understand the Workmen's Compensation Board anticipate that within three years they will be making their decisions out there once they get their computers in place. They will be making them locally. That's different and I can agree that you don't get the uniformity.

That's one of the reasons I've been suggesting that general welfare come through the province, because there is no opportunity for uniformity in the application of it. I don't think that's something that's insurmountable.

Just to exclude that for a moment, though, everything the people do at the top in the five areas has to come back here. I understand that. Their powers are almost non-existent. They can enter into discussions with various groups, but ultimately, before they can commit anything, they have to come back here for approval.

I don't think that shows too much faith in the ability those people have to do the job for the ministry. I don't think any of them are going to throw money around like a drunken sailor. But you're really not giving them much in the way of autonomy.

I don't mean that they can operate outside the framework of the existing legislation, but you virtually still hold all the controls at the centre on every issue.

That, as I say, isn't decentralization. Surely, decentralization means that people who are out there don't have to come back to Queen's Park every time they want an "i" dotted or a "t" crossed—but, in fact, that's what you're insisting upon. I just say it's decentralization on paper and nothing else.

The other part of this item I want to talk about very briefly is the amount of money allocated for research.

Hon. Mr. Brunelle: The amount allocated for research is listed under demonstration projects, \$880,000.

Mr. Martel: Okay, fine. Now about the flow of information out of that ministry—on a legal basis.

Mr. Chairman: I'm glad you added that.

Hon. Mr. Brunelle: You shouldn't complain.

Mr. Martel: You got it right.

Mrs. Campbell: Oh, I see. I want equal rights.

Mr. Martel: On the free flow of information, what is it with this ministry? I've complained, Mr. Minister, for four years. What is it with this ministry that it will not share research papers or anything with the members of this Legislature? It is a closed shop, really. What are you trying to hide?

Hon. Mr. Brunelle: We have with us Mr. Peter Capps, the director of our research branch, and we do make available many publications. Maybe Mr. Capps could comment.

Mr. Martel: None has ever crossed my desk. I think Peter sent me three together on one occasion. There was child abuse; no, that was the second one. The mother-led one I already had some time previously. That's it in a year. That's all that came through from the research people—papers and so on—in a whole year. Two new ones, because I had the mother-led one which was done in Metro Toronto a year before. It arrived early.

Mr. P. Capps (Director, Research): Mr. Chairman, on page 104aa of your book is the list of the reports and publications which are available on request. There is a list of reports and publications which are completed but have not yet been released. There is a report which is published externally and there are some reports in preparation for publication.

I don't think, to the member, that there have been any reports published since the last ones sent to the member. I think we made a commitment at the time the member spoke on this last year that should any reports and publications be made available, we would ensure the members of the committee of supply would receive a copy directly. We still have that on record.

Mrs. Campbell: And the alternates? Would the alternates get them, too?

Mr. Capps: They are freely available. We were just being sure that they would be sent directly and personally so they would receive a copy and they would not be mislaid.

Mr. Martel: As I say, I have received some reports and they are not listed here.

Mr. Capps: I am not in charge of that circulation department.

Mr. A. Carruthers (Durham): Did you get any reports today?

Mr. Martel: I am afraid I have not. I got another one today in the mail but it was from the Ministry of Health.

Mr. Carruthers: You can have them delivered to you specially if you want to.

Mr. Martel: We will deal with that one when we get to the Ministry of Health, but it came today.

Mr. Chairman: Is that your final point, Mr. Martel?

Mr. Martel: That's my final point.

Mr. Chairman: Mrs. Campbell.

Mrs. Campbell: Mr. Chairman, I would like to take a look at the children's services bureau, perhaps from a different point of view. It seems to me this is the one place in government I can find where we are really concerned with the problems of children. It is interesting that in this province—and I'm sure it's not alone—there has never really been a coming to grips with the role and the rights of children. I would have hoped that, in this place where you have a specific area of responsibility, this might have been the case.

I would like to look at the matter of the concern of this government with the increase in crimes of violence and permissiveness. We're all aware of the royal commission, but, Mr. Chairman, I believe that really the crimes of violence and the permissiveness start here in this ministry so far as its lack of services to children are concerned.

Let me, if I may, give you an example. A child in a family with a mother leading it is living in the community in Toronto. The rent that mother pays is \$170 a month. I believe your maximum allowance for rent in 1975 still is \$130 so this woman is subsidized to the tune of \$30 a month from Metro. When she pays for hydro and telephone, which are almost essential in this society, her shelter total is about \$192. Frequently, on the last day of the month she has to send her children to school without breakfast because she has run out of food; and at noon, if her cheque comes, she rushes to get it cashed, the children get fed, they are late for school, they take detentions because they have too much pride to tell the teacher they were late because they wanted to eat. This, in the city of Toronto, today.

One of these children is a very bright boy. He is a year ahead of his age group in school. He is required to have gym clothes. He started to stay out of school, he became truant, because he just couldn't face up to telling the teacher it was going to take him three weeks to get that gym suit.

That's only one example. I don't see this bureau sitting down with Ontario Housing Corp. to discuss their policies on these children. They are becoming very resentful of the adult society in which they find themselves; and I for one think it is because they are bright that they are resentful.

They are not passive. They are concerned. They don't see that we are really that successful. So, one of them acts out. If—in fact in the case I gave you they were not, obviously, Ontario Housing cases—but if that child acts out as a result of that kind of circumstance, Ontario Housing serves notice that the family will be evicted unless the mother is prepared to consent to a restraining order ordering that child not to be in that home.

It seems to me that handling cases like these ought to be an effective role for a children's bureau concerned with rights of children as well as services to them, unless, Mr. Chairman, you can point out to me any other place in government which is supposed to be concerned primarily with children's services. Obviously there is a lack, that these children are in this position. I am not going to say that children in suburbia don't act out, but nobody is going to make those parents take out a restraining order to keep them out of their home.

If you are concerned, the mothers themselves say these are your future procurers, your future hookers, these are your future bank robbers and these are your future pushers.

We have been through the general income maintenance vote, and it seems to me that if we really want to get at the root of what is happening in our society the way is to look at the children in it. I don't want to repeat myself. I hope I have put it strongly enough to indicate my very real concern.

Miss Crittenden: Mr. Chairman, the matter Mrs. Campbell has brought up has been of equal concern to me since I became deputy minister. I have become aware of children whose rights have certainly not been protected, in my estimation.

We have requested that free legal aid might be extended to children, because many children have no way of being represented in court in various actions where they are a third party. Also, we have discussed and we are working at present on preparation of material to be

entitled something like a "bill of rights for children." This is because children today are more and more becoming a third party, or an innocent party, to activities of adults or communities in which they are just the innocent victims. We are taking action on this right now.

Mr. Carruthers: How is action initiated, Miss Crittenden? In cases like that, who takes the initiative?

Miss Crittenden: A simple example is a divorce action. There have been four-year-old children who have cried to stay with, say, the father. The mother says the father is no good, and the child goes to the mother. The child is never protected in court at all.

Mr. Carruthers: There are plenty of those.

Mrs. Campbell: They are parcelled out with the furniture.

Mr. Carruthers: In your case it was a case of lack of funds, wasn't it?

Mrs. Campbell: I think the deputy minister, with respect, has caught the wider picture. I mentioned the fund picture because it was easier to digest, I guess—for people to grasp quickly. Of course you are right.

I wonder, too, if the ministry then would be supportive of what I think I now have the Attorney General's ministry doing. They are working to ensure that children who are victims, particularly of sex offences in contributing cases, are examined on a follow-up basis to see what physical and psychological damage has been done. This is to ensure that they have the opportunity to develop the material to get, for instance, to the criminal compensation board for compensation, because they are victims of criminal offences. This has been a great gap, and something which has disturbed family court judges for some time.

All that I have been able to do to date is to get the Attorney General (Mr. Clement) to have the Crown—and I don't think it is really the proper person, but I am willing to take what I can get—to tell the parents of the rights of the child. But very often they are the last people you want to tell. In many cases it is the father, usually, who is the person who has committed the offence. But at least it is a step forward.

There are all sorts of ramifications and I am very appreciative that the deputy has caught an in-depth kind of approach. But I haven't seen this thrust through this bureau. Could I know how you envisage or how someone envisages—the minister or the deputy—the way in which this bureau will move?

Miss Crittenden: Mr. Chairman, I think this is broader than this bureau.

Mrs. Campbell: I do too.

Miss Crittenden: There are many incidents that occur that do not come under, say, the auspices of the Children's Aid Society. In fact, it could be so far removed from an involvement of a known social agency that our children's bureau would never have it brought to their attention. It is a much broader picture than that. It is something that we are looking at, if you want to say, from the main office, something that we are working at, if you want to say, because we have to deal with other ministries of the government office.

Mr. Carruthers: What about education?

Miss Crittenden: It is the rights of children that have to be protected. There are so many things happening today; society is changing so rapidly. Years ago you thought the parents could, in fact, speak for the child, but today things are changing so rapidly.

Mr. Carruthers: We think of these generally in terms of large urban centres; but it is just as true in the rural community as it is in the large urban centre.

Mrs. Campbell: It just strikes me, Mr. Chairman, that until we really look at the rights of children, they become lost in FBA benefits to the family. They get to be parcelled out with the furniture in divorce cases. They are guided missiles between two warring parents in a family court. They just never have their rights looked at—I can't say adjudicated, because in a sense they aren't before the courts.

Mr. Chairman: Even sometimes, Mrs. Campbell, when they are witness to some other action, society sets up certain things with children in regard to the court. The appearance of a witness in court is a traumatic experience for a young person who has never undergone that. If it isn't carefully explained to them before entering the court what might happen and what they might be subjected to, it can have an effect on their belief in justice and fair treatment.

Mrs. Campbell: That is quite evident. I was a member of the Parents' Action League back in the Fifties when we were trying to sort out ways to protect the child who had been a victim of a sex offence. The thing that is awful in that kind of a case, first of all, is the trauma of the thing itself. But it is also the fact that so often it doesn't come to trial for a year or more and that child has to keep that experience

in mind for a court appearance or a series of them.

I recognize it is a very big subject and I recognize it needs liaison, I recognize it is not all within the function of this vote; but I cannot sit in this House and see what's happening without perhaps in a way distorting the scene by using this vote. Something has to be done and I'm delighted to hear that the deputy is concerned. I trust that as the first step, though, we may look at the effects of our provision of funds.

I would like to see, either through the bureau or at the ministerial level, a meeting with OHC. I believe very firmly that one child who committed suicide in my riding did it because he got into a lot of trouble. OHC was putting the family out and this boy, from all accounts, was conscience stricken. There were other aspects to it. He had been pulled in on an alleged offence. But the whole scene was one that disturbed me.

If you don't get through to OHC, to talk to them, to try to see what can be done, then there isn't anyone I can think of, other than those of us who are members and concerned who can raise the issue.

I would also urge that there be co-operation with the Attorney General's ministry on those matters of contributing. I must say this to you, that a good judge—and I don't know of a bad one—but a good judge will be most inclined to try to ensure that the child is not visible in that court if the evidence can be brought before the court without that child's presence. And so the concern for the child's welfare, because he or she is not a presence in the court, tends to be lost. The Children's Aid Society is not often involved in this kind of situation.

I was concerned enough about it that I did ask Mr. Bagnell, who happened to be in to see me, if he would sit in in the court so that it could be brought to the attention of the public, because he was a responsible journalist. He did one leading article, he then did a second. His newspaper then decided that because of the nature of the case—it was obscene, that's a fact—to hold off on the story. He retired from his newspaper on that issue. It has bothered me for a long time, and I just feel in conscience I have to bring it to your attention, Mr. Chairman.

Mr. H. C. Parrott (Oxford): Could I ask a question of the member? In your experience—and it's sort of a commentary rather than in the way of a question—have you observed that as a ministry, or whatever formal institution becomes more involved, the parents become less involved?

Mrs. Campbell: Yes, I think I would like to develop that theme, but I thought that it might have been ruled out of order since we are dealing with child welfare.

Mr. Chairman: Mrs. Campbell, the chairman is quite conscious that we should try to redress grievances in society, if we can do so in committees. That's why I am giving you a little more leeway than maybe I would really be allowed to do under the rules.

I think Mr. Parrott's question of you is slightly out of order, I suppose, if you wanted to be hard and strict. But I think it is an interesting thing and important that the ministry can get the benefit from two professionals. I think I would be quite prepared to allow a little bit of latitude in the discussion.

Mrs. Campbell: Thank you, Mr. Chairman. I think it is so easy for people to say that all of what has happened to children is the fault of parents. I find it interesting that it used to be that if you found some youngster wandering the streets, the police would automatically take that child home.

Now, because of the development of all sorts of ideas, philosophies, or whatever, the first real thrust of the police is often to take that child immediately to the Children's Aid Society. I don't know how often this happens across the province, but it does happen here.

There is criticism, too, of the police, if they happen to make an error in judgement. Maybe the child shouldn't have been home, so they take the safest route.

There was the former teacher and parent relationship, where both of them worked together for the good of a child. Now, for so many reasons, the teacher is clobbered by the social worker, the psychiatrist, the psychologist. The teacher is in a difficult position. Children today are more difficult than they used to be. They are not as passive, I don't think.

But the teacher is inclined, therefore, to take the role of the child in those circumstances, and it erodes the role of the parent. There are all sorts of experiences of this kind. The child is lost between the two. The child becomes manipulative on occasion—

Mr. Chairman: Resistant too.

Mrs. Campbell: He doesn't know how to handle his world, and he certainly can't see any reason to try to handle the adult world, because he doesn't see much there that gives him security. This is an oversimplification, but I'm trying to answer the question.

Mr. Chairman: Thank you, Mrs. Campbell.

Mr. Parrott: As you go down the road you are talking about—you said the school took on more responsibility—we are only talking about a very small number of people; we are not talking about the vast majority. That's what makes it difficult, unfortunately, because it sounds like it's everybody's problem. It's everybody's concern, but it's not very many people's problem.

Mrs. Campbell: I think there are quite a number of parents who really are becoming rather frightened of their children, because they don't know their rights either. I think that is a fact.

Mr. Parrott: The point I'm trying to make is that the children in this society who need the kind of protective assistance you are talking about are a very small percentage of the total.

Mrs. Campbell: And growing.

Mr. Parrott: And growing, agreed. I'm not trying to take away from what you are saying, but rather to provide some input to the ministry. I think we just can't go ahead at full speed and say society has this obligation to protect that child as a third party. I'm not fighting you on what you are saying. I'm simply saying there is another side to that same coin.

I hope the point we can make is that we've got to return to where the parent is concerned about that child. If we really go at full speed down the road you are proposing, I would be concerned that the parents would back off. I don't mean the large percentage of parents, but those people in society who weren't looking after their children as they should have been. They would find it easier and easier to say, "Well, there is another alley for that child to live in, and let them live there."

Mr. Foulds: That's a particularly inappropriate word to use.

Mr. Martel: We are not ready—

Mrs. Campbell: That has not been my experience.

Mr. Parrott: But don't you agree—and I see this in other areas; I think this is only symptomatic of other areas—that we do take on responsibilities as society or as government and we therefore let other people back off?

Mrs. Campbell: Mr. Chairman, if I may quickly respond, if we have a child, a victim of a contributing offence, I don't understand why we shouldn't move quickly to ensure the fullest possible protection to that child. I don't understand you, I guess.

Mr. Chairman: I wonder if I might ask, Mr. Foulds, if you've got a question to ask.

Mr. Foulds: Yes.

Mr. Chairman: Is there very much more to discuss, because we apparently have a vote up in the House. I'd like to get some indication if it is possible that we could clean up this vote in another 10 minutes.

Mr. Foulds: Certainly what I have would be less than 10 minutes.

Mrs. Campbell: I wish to speak briefly to the senior citizens' bureau.

Mr. Chairman: Then we had better go and take the vote. We will come back as soon as the vote is over, though.

The committee recessed at 12:05 o'clock, p.m., for a vote in the House and reconvened at 12:10 o'clock, p.m.

Mr. Chairman: Mrs. Campbell, you indicated you had a comment.

Mrs. Campbell: I just have a brief remark about the senior citizens' bureau. I think the ministry has been aware of my concerns about this function. I would like to express my appreciation to the ministry for the way in which they moved in one situation which was, I believe, totally inequitable; I appreciate that. But the fact that a situation can arise where someone is treated with less than equity originally in this particular bureau causes me concern as to the bureau itself.

I would like to know whether, as a result of the matter which was brought to my attention, any action has been taken to try to ensure that older people in that bureau are treated with equity and that we really, in fact, are looking at the function of the bureau meaningfully through staffing.

I don't wish to bring a personal matter forward, but I think the deputy at least is aware of it.

Miss Crittenden: Mr. Chairman, I think that probably in our ministry we are as concerned about the rights of all people, but particularly the rights of people who might be classed as senior citizens. Certainly it is our policy, through our personnel directives, to assure that the seniors who are employed in the ministry receive fair and equitable treatment; and in fact we would like to be leaders in this field, not followers. The question that Mrs. Campbell has posed is related to a specific employee who was over 60. It has been resolved, I think satis-

factorily, but I must say it took a couple of weeks or so.

Mrs. Campbell: Yes.

Miss Crittenden: At any rate, I trust it will not happen again. I am quite sure it won't.

Mrs. Campbell: Then we are assured the older people in this bureau are going to be treated with equity and with dignity from here on in?

Miss Crittenden: Mr. Chairman, I would say that you could be assured that the older people in the whole ministry will be treated with dignity and respect; and that promotability will be assured, and as far as that goes, recruitment also.

I am quite a proponent of employing older people who are over 60. I am quite convinced that they give an employer more and better service than many younger people do. The situation you are referring to was an exception and I don't think anything like that will ever happen again.

Mrs. Campbell: Then if I may take the broader picture, can we be assured that for those who are deemed to be in a probationary period, there will be ample warning given to them during that period of probation, so that they do not have a requirement, on the day before they become permanent, that they resign or be fired?

Miss Crittenden: That has already been taken care of. A directive has been issued to everyone and no action to release anyone can occur after 11 months.

Mrs. Campbell: Thank you very much, Mr. Chairman.

Mr. Chairman: Mr. Foulds.

Mr. Foulds: Yes, I have one quick question I would like to pursue a little more fully than we could during question period, about the administration of the protective officers for the adult mentally retarded. Could you let me know briefly how that programme is being developed and how it is administered?

Hon. Mr. Brunelle: I'll ask Mr. MacCoy to speak on that. I am told that except for Geraldton and Metro Toronto, they are employees of our ministry. They, of course, work closely with the local associations and it is not our intention to—I think there was a concern about—

Mr. Foulds: There was concern about the permanency of the position if it was with the association for the mentally retarded, in terms

of guaranteeing the funding. I have to admit the concern came to me second- or third-hand and it was Geraldton that expressed that concern. As I understood it, they were only guaranteed until the end of the year or something. They wanted assurances that if they took on the position with the association, they wouldn't be left high and dry with having to pay the person's salary in future budgets.

Mr. D. J. MacCoy (Director, Mental Retardation Community Services Development): Mr. Chairman, the associations will not be left high and dry in this case. The Geraldton association is engaged with us in reviewing the whole process of protective services for the adult mentally retarded. We have funded them for a project to study the style of administration. When I refer to style of administration, what we are not sure of yet and we think we have to learn in this year particularly—certainly we have learned some things over the past year—is who should actually be administering protective services.

There are some who argue, from the side of the Ontario Association for the Mentally Retarded, that associations should be the ones delivering protective services. On the other hand, in the same group, there are some who say government should be. What we have done is establish a core group of the protective service programme wherein most at present are actually staff of the ministry. However, we are testing out in two areas, as my minister has said.

In the city of Toronto we are funding the Metropolitan Toronto Association for Protective Services. They are analyzing it from their point of view and they hire the staff and pay them from this grant. One of the differences in Geraldton is, in effect, would a person be placed in Geraldton or could a person be placed in a large centre and cover the same district. We want to review that.

It will take some time but certainly the ministry is not going to leave these associations high and dry. We think protective services is perhaps one of the key services to develop for adult retarded persons. The difficulty is that we have to check out the different ways of delivering it.

Mr. Foulds: I would agree. I think it is absolutely first rate that that's being done. I was just concerned about the way it was handled. It is interesting to me—did you deliberately pick a relatively remote place like Geraldton and Metro Toronto for the contrast?

Mr. MacCoy: That's correct, Mr. Chairman.

Mr. Foulds: How many officers—is that the term you use? I don't know; people in this position—do you have throughout the province?

Mr. MacCoy: If I may say, Mr. Chairman—

Mr. Foulds: What is the position called?

Mr. MacCoy: The position is called protective service worker. We are not crazy about the name.

Mr. Foulds: Yes.

Mr. MacCoy: Because we notice that the guards around Queen's Park have that kind of control.

Mr. Foulds: Yes. I gather it is more of an ombudsman role for mentally retarded adults in the area so they are not exploited and discriminated against.

Mr. MacCoy: Yes, that is one way of describing it. There are 35 of those persons at present. We intend to expand or double our capability of delivering that service this year.

Mr. Foulds: Good. One last question: Did you decide to create the service because you found that adult retarded people were being exploited in terms of housing and working? Is that it? Are those two areas which came to your attention?

Mr. MacCoy: Yes, Mr. Chairman. The original concept was developed because of concerns in this area where, in effect, retarded individuals were not always able to stand up for themselves, as the member has said.

Mr. Foulds: Just one last request of the minister: If the report is finalized and then accepted by the ministry, I wonder if you could, when it's a public document, forward a copy to me. I would certainly appreciate it, because I have a particular interest in this.

Hon. Mr. Brunelle: I would be pleased to.

Mr. Foulds: Thank you very much.

Mr. Chairman: Mr. Carruthers.

Mr. Carruthers: That's all right with me. We are off that vote now.

Mr. R. Haggerty (Welland South): May I just ask one question, through you, Mr. Chairman, to the minister? Those retarded and emotionally disturbed persons who are in the sheltered workshops, and particularly in another type of an industry—the NTEC industry in the Niagara Peninsula—what are they allowed to earn in these particular workshops?

Hon. Mr. Brunelle: It depends on the workshops, Mr. Chairman. This matter was discussed yesterday by Mr. Peter Crichton, the director of our rehabilitation bureau, and it varies, according to workshops, depending on the capability of the individual.

Mr. Haggerty: Is anything like 55 cents a day normal?

Mr. Chairman: It is hard to say. The resource people are not here.

Mr. Haggerty: I just wanted that information, because it has been brought to my attention. I thought perhaps there might be some problem areas or difficult areas in what they are allowed to earn in this particular type of industry.

Hon. Mr. Brunelle: You are generalizing, are you?

Mr. Haggerty: I don't want to pinpoint any particular association but I think the sheltered workshops—and NTEC is another one, in a sense it is something like a sheltered workshop.

Mr. Chairman: I think, Mr. Haggerty, if you were to give the gentleman a call, someone here could give you his phone number.

Mr. Haggerty: But do you have set policies or guidelines for it?

Hon. Mr. Brunelle: Oh yes, we work closely with the Ontario association on sheltered workshops and, as you know, we revised our funding policy in December.

Mr. Haggerty: But do you not have some strong feelings that perhaps the persons employed in the sheltered workshops, in ARC Industries and so on are being abused?

Mr. Chairman: That point was raised.

Hon. Mr. Brunelle: Yes, that is a concern.

Mr. Haggerty: They are doing very capable types of jobs and providing good labour in certain fields and it is being handled through ARC Industries, particularly where they are doing the work for industry. I can say the one in Port Colborne is doing an excellent job there. They go out and they splice nylon rope for Atlas Steel and they use that to pick up their stainless steel with. If they had to pay ordinary workers to do that, in Atlas Steel you are talking \$6 an hour.

Mr. Carruthers: They are slower though.

Mr. Chairman: I think the general impression I have in my area is that they pay about the same per unit.

Mr. Haggerty: No, I wouldn't say they were slow.

Mr. Carruthers: Oh yes. I have a fair number of these.

Mr. Chairman: It doesn't necessarily amount to the same per hour.

Mrs. Campbell: Didn't they say yesterday that it varied from a few cents up to the minimum wage—

Mr. Haggerty: I don't think they were anywhere near the minimum wage.

Mrs. Campbell: —but that the average could be taken to be \$1?

Mr. Haggerty: No, it is tied in with the guaranteed income that they allowed; that the province issues to them, so much a month. For some unknown reason they can't go above that level.

Mr. Carruthers: Mr. Chairman, don't you think it is an evolving programme? We've made great strides in this particular field over the past few years. In Peterborough, for example, at General Electric, they contract out work to them. That's a high-priced industry. Then in Port Hope and Cobourg, for example, they do work for some of the smaller industries.

Mr. Chairman: I have to tell the members of the committee that we discussed this thoroughly when the resource people were here and it was in another vote.

Mr. Haggerty: All right then, I will pass on it. But I would like to have the rate structure that you have established for the categories that are available.

Hon. Mr. Brunelle: I would be pleased, Mr. Chairman, to make that information available to the member. You are referring specifically to NTEC at Niagara Falls?

Mr. Haggerty: NTEC are doing an excellent job in that area.

Mr. Chairman: Shall vote 2605 carry?

Vote 2605 agreed to.

Mr. Chairman: This completes the estimates of the Ministry of Community and Social Services.

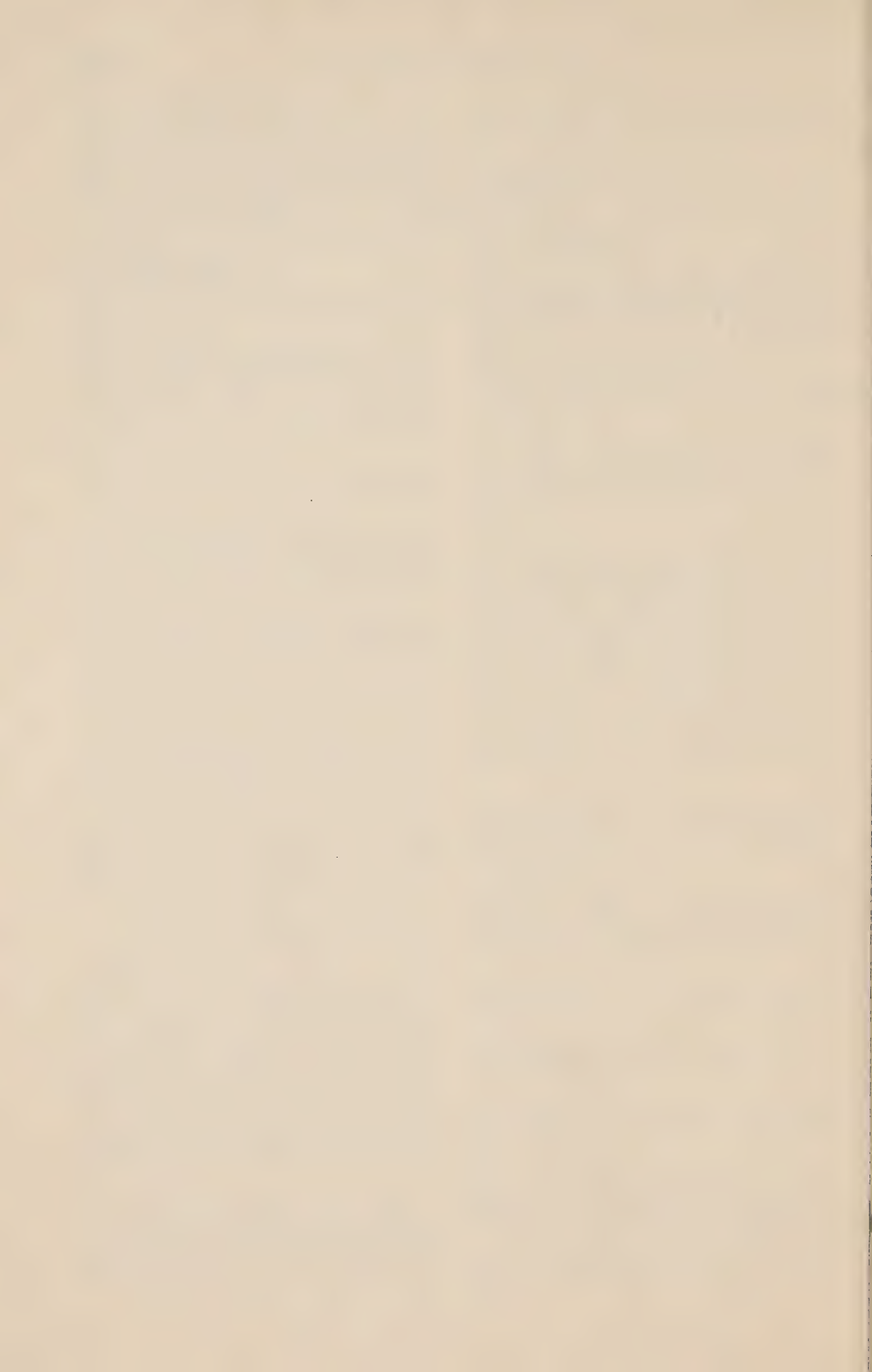
Hon. Mr. Brunelle: Mr. Chairman, may I thank you and the members of the committee and wish you all a very happy weekend.

The committee adjourned at 12:30 o'clock, p.m.

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Ontario. Legislative Assembly.
Legislature of Ontario
Debates;

ESTIMATES, MINISTRY OF REVENUE

Standing Miscellaneous Estimates Committee

Chairman: Mr. T. A. Wardle

OFFICIAL REPORT — DAILY EDITION

Fifth Session of the Twenty-Ninth Legislature

Tuesday, May 20, 1975

Afternoon Session

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

THE QUEEN'S PRINTER
PARLIAMENT BUILDINGS, TORONTO
1975

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Daily index of proceedings appears at the back of this issue. Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff (Phone: 965-2159).

LEGISLATIVE ASSEMBLY OF ONTARIO

TUESDAY, MAY 20, 1975

The committee met at 3:50 o'clock, p.m.

ESTIMATES, MINISTRY OF REVENUE

Mr. Chairman: We will call the meeting to order. We have members of the committee plus other members. Of course, all are fully welcome to take part in all the discussions. The Ministry of Revenue is on page G75 in the book and following pages. On the first item, ministry administration, are there any questions or discussion?

Mr. J. R. Breithaupt (Kitchener): Mr. Chairman, I suppose it would be appropriate to make a few general comments with respect to the operation of the ministry. We'll have specific questions during the actual detailed discussion of the estimates, so I won't be at all lengthy. The area of municipal assessment will be dealt with on our behalf by the member for Waterloo North (Mr. Good).

Hopefully, I would like to ask that we will receive some definitive statement, perhaps this year, on the operation of the Province of Ontario Savings Office. Over each of the last four or five years, through the past four or five ministers, we've had this matter under constant review. I hope we will soon be coming to the decision either to use the system and expand upon it, or to decide that it solely provides a useful way of getting money on current account at reasonable interest rates, but that it will not be expanded in favour of the incursion that that might make into the operations of the other organizations involved, either as chartered banks or trust companies. That particular area was dealt with at some length in the last estimates and in previous years. Perhaps again there may be comments that will help to develop what that programme is supposed to be involved with.

Since this ministry is the one that operates what is in effect the cash register of the province and brings in perhaps \$12 million or \$14 million per hour—day in and day out, holidays included—over the year—

Hon. A. K. Meen (Minister of Revenue): Per day.

Mr. Breithaupt: Per day. There is not too much that can be dealt with concerning policy in the ministry; we've had this out in the House, dealing with various bills as they have been debated. The minister, while responsible for the bills and their passage through the House, has not been able to deal particularly with the policy matters that flow from the introduction of that kind of legislation following the terms of the Treasurer's (Mr. McKeough) budget.

I have nothing further to say at this point on the various administrative areas. The member for Yorkview may have a few general comments. We can then discuss the particular items with our colleagues.

Mr. Chairman: Mr. Young, did you have comments?

Mr. F. Young (Yorkview): Mr. Chairman, I have not a great deal to add to what has already been said. Certainly, this ministry is not by and large a policy-making industry—I mean ministry. It's an industry too. Any group that can take in money as fast as you do must be some sort of an industry

Hon. Mr. Meen: We're very industrious.

Mr. Young: I suppose the only difficulty is you are not an industry which manufactures this stuff. If you were, then we could really be in the throes of more inflation than we are today.

There are some things here which we have talked about in the past; perhaps I could just make a short comment on a couple of them. One is this whole matter of assessment. This has been before us now for quite a long time. Some years ago, when many of us in this House were younger, the undertaking to reassess the whole province on the basis of market value was embarked upon. We expected that that would have been completed and finished away back. But the value of property took off and we gradually got ourselves into the throes of an inflationary spiral which made the evaluation of buildings difficult to pin down. Whenever figures were put on paper, a couple of months later they were obsolete. I see the latest we can hope is that this might be com-

pleted, and the market value assessment done, by 1978. Whether the minister—

Hon. Mr. Meen: I'm sorry?

Mr. Young: By 1978.

Hon. Mr. Meen: No, 1976 for 1977.

Mr. Young: By 1976 for 1977.

Hon. Mr. Meen: Right. That's our expectation.

Mr. Young: So, that is definitive now. We will have the whole matter finished up next year for assessment in 1977. That certainly will be some assistance.

I do think perhaps this minister ought to be taking a long look at whether or not this kind of taxation is supportable in view of what's happening to property values and all the rest of it. I suppose no matter what kind of a situation we have we still have to do some assessing. There are countries in the world where gradually the whole taxation burden is shifting to income and less and less to the value of the property that people may own. It just seems to me that this is the direction we ought to be looking for the future.

The Province of Ontario Savings Office is one in which I have been also interested for some time. I turned up in my files an editorial from "Farm and Country." It goes back to June 29, 1972, but I don't think the situation has changed very much since then. The editorial traces the background of why this institution was inaugurated. I could quote two or three parts of this editorial:

Money and credit have been problems of Ontario for close to a century. The Farmer's Son, forerunner of Farm and Country, campaigned strongly for a sympathetic banking system in the late 1890s and early 1900s. Unfortunately, urban-based and industrially oriented chartered banks were deaf to the pleas of farm people.

This was at a time when Canada was primarily an agricultural nation. These pleas were not listened to until 1921. To quote the editorial again:

There came a freak election. A frustrated electorate returned the almost unknown United Farmers Party to office. One of its first moves under the Agricultural Development Act was to establish a chain of special banks, known as the Province of Ontario Savings Office.

Most of them were opened in rural areas—Walkerton, Woodstock, St. Mary's—but the cities, of course, had their share. It was strictly

a savings institution, but it's interesting, as the editorial points out, what happened at that time:

The banks exploded with a mixture of frenetic fear and febrile frenzy.

That's a nice round phrase. At least the press reports of that time are an accurate indication of the climate.

One overwrought general manager described a modest venture to meet genuine farm business needs as Canada's first step on the road to bolshevism—

Where have we heard that before and since?

Mr. F. Laughren (Nickel Belt): That sounds like the automobile insurance companies.

Mr. Young: Continuing the quote:

—and, he said, the demise of the private competitive system. Unfortunately, the poor fellow had forgotten [this is Farm and Country speaking] that there was no competition among the chartered banks. All had agreed not to meet the demands of their farmer customers. Such collusion today could probably spell prosecution under the Combines Investigation Act.

But once this setup was established, it was sort of still-born. Nothing much happened after that, and not one new office has opened in the past number of years. The last one was opened in December, 1943, and since then no expansion whatever has taken place. It has been pointed out in the auditor's report, in 1973, that five offices were operating at a loss. With changing conditions and population concentrations, it is no doubt time to re-assess the location of these savings offices as well as the possibility for expansion.

Mr. Chairman, there is no question that there is a need for this kind of an expansion for the savings offices. We've discussed this in this committee and we've had assurances from various ministers that something was going to happen. But nothing has. At the end of March, 1974, funds on deposit with the Treasurer were in excess of \$187 million. This is certainly okay for the Treasurer, for he thus obtains close to \$200 million without having to borrow on the money market. He pays a rate of interest one per cent higher than the rate paid by the savings office on regular account balances.

A special review was made for the years 1970, 1971 and 1972, and it was discovered that the average cost of money borrowed by the province from the savings office was at least one full percentage point below the long-

term borrowing cost of the province from other sources for the same period. We wonder if more of this money is not out there waiting and should not be made available for the provincial Treasury to use for various purposes.

The Province of Ontario Savings Office recorded a net profit of \$867,305 for the fiscal year of 1973-1974. This is immediately transferred, of course, to the Treasurer, thereby reducing the effective rate of interest which he has to pay. At some time over the years, all of this profit was not transferred to the Treasurer, and a reserve fund was set up of \$293,283. This sum has remained in the reserve since that time even though the auditor has recommended, for two years now, that the amount and purpose of this reserve be reviewed.

Perhaps the minister could tell us whether or not that review has taken place. I haven't heard of it, if it has.

We have discussed what might happen in this whole field. There is no question that many people in Ontario would use the savings offices if they were expanded and if we had them closer to people's homes. Certainly the time seems to be here, not only to expand the number of savings offices but to expand the function of the offices so that they can make loans.

I know there is terror in the hearts of the banking fraternity. They talk about competition, you know, but they don't like it. There is no real competition among the banks in Canada. The interest rates go up and down in unison and, while there may be competition for certain loans for certain large corporations, there is no such thing as competition as far as the average person is concerned. We think that this is one field where competition might be reintroduced and where the Ontario Savings Office might provide that little element of competition which, I suppose would never equal what the Royal Bank of Canada might do, or the Canadian Imperial Bank of Commerce.

But it is there. It can be used. Not only can it be used to facilitate business for the average person, particularly in the farm community, but it also can be used to give to the Treasurer of Ontario funds at a lower interest rate than he has to pay in the open market, or at least to force down the interest rate so that the net result might be that the Ontario Savings Office loans to the province will be at the same interest rate that the commercial institutions offer.

Hon. Mr. Meen: They are lower than that right now.

Mr. Young: The bank's interest rates might be dropped a bit because of what the savings office might do.

A year ago I also pointed out that there is a real possibility here for the Ontario Savings Office to go into the insurance field as some banks in the United States are now doing. Even the private enterprisers down there can set up general insurance and life insurance. Life insurance might be sold on a strictly term basis or, if the government doesn't like that, it could go into a full range including savings features in the insurance. They could separate the savings and the expense so that the expense is paid for in one account and the savings are diverted into the provincial Treasury for use there in building houses and other things that the province needs.

On the death of a policy holder, those claims would be met out of the expenditure part because the funds are set aside to do that. Then the savings part could be returned, with interest, to the heirs in a way that present private insurance companies do not do. There is a function there for the Ontario Savings Office, beyond what the present indications might be, simply in copying some things that are being done in the United States and in other jurisdictions around the world.

With those remarks I think I'll close at the moment. I will have further remarks to make during the votes, Mr. Chairman, as they come along.

Mr. Chairman: The minister would like to reply to some of those questions at the moment.

Hon. Mr. Meen: Just very generally, Mr. Chairman, I sense there is a good deal of interest by the committee in the two areas of assessment and the Province of Ontario Savings Office. When we did last year's estimates before this committee, I recall my remarks on POSO, and they're not significantly changed since that time. My personal view is that there are three alternatives available, not two as were indicated by the member for Kitchener—either an expansion, or the status quo, or the third alternative, to wind them up. We have done a number of studies on this and we've been reviewing those studies. It's all a matter of money, and I don't intend to be funny when I say that.

The opening of more branches, the view expressed by the member for Yorkview, is the one with which I find myself in strongest inclination at this time. We have 21 branches. There's nothing north of the French River. They're not well distributed through the province. There are even large areas of Metro-

politan Toronto completely unserved by branches of the Province of Ontario Savings Office.

I would like to undertake some kind of modest assessment of techniques for modernizing the branches, and I can tell the members that it's my intention to put this to my colleagues in the near future. I think some branches haven't had any renovation in decades. I think a lot should be done. They are providing a service to the customers who know of them. There hasn't been any significant advertising of the interest rates that POSO pays, or of the chequing privileges that exist. The very fact that they pay, generally speaking, a half of one per cent more on an account on which there are chequing privileges, than is paid by the trust companies on a savings account on which there are no chequing privileges, ought to attract an enormous amount of deposits.

As much as anything else, I think it gets down to letting the people know that facilities are available, if indeed they are. If there is a viable alternative, it's not to let the offices run along as they are, but rather to expand them. In the sense that the money is made available to the Crown, they do provide to all the people of Ontario interest at a lesser rate than the Crown has to pay elsewhere on the money market. It helps keep down the interest rate that the province has to pay, at least in some measure.

If we were to have anything like they have in Alberta—the various Treasury branches which Alberta operates—we would have to go into a plethora of services besides the simple provision of chequing facilities. Loans to the public would be an integral part of any such operation, as is the case in Alberta. The fact is that in the Alberta operation where they have something like 150 branches—am I right on that, Mr. Crosbie?

Mr. D. A. Crosbie (Deputy Minister): I think so, counting the subs.

Hon. Mr. Meen: With something like 150 different branches spread through Alberta, they have a very substantial part of the money they have on deposit out again in the form of loans. So that money is not available to the people of the province in the sense of being available to the government—it's being made available on specific loans.

Now, you don't develop the expertise of a loan officer in a lending institution—be it a bank or a loan company or whatever—in the figurative sense, just overnight. It takes several years to train these people. You can't just

suddenly decide to go into that business and go into it.

We have a stronger inclination toward simply expanding the operations as they are presently managed, that is, deposit with chequing facilities and the money being made available to the province. The growth rate in deposits in the last year has been quite dramatic. I don't have the figure at hand. We'll get to it when we get into that particular vote, Mr. Chairman, but it's well over \$200 million now, up from the \$180 million or so of last year. It's \$231 million, my deputy tells me, right now and that's with seven per cent as the current rate of interest, chequing privileges, one free cheque for every \$100 minimum monthly balance, and so on.

So there is a fair attractiveness and I think, if one were to get more branches out, there would be an awful lot more people who would find it practical to deal with POSO.

I have talked longer than I intended on that subject. I think perhaps it is more appropriate to deal with it when we get to that vote, Mr. Chairman, as indeed is the case, I think, when we get to 905, to deal with assessment.

Mr. Chairman: Thank you. Now, if we turn the page the first item on vote 901 is main office. Any questions or discussion? Mr. Paterson.

On vote 901:

Mr. D. A. Paterson (Essex South): Mr. Chairman, may I ask a question of the minister? I assume this is the administrative policy area for your ministry and I just wonder if any edicts have come down from the provincial Treasurer that would have led you to hire on the staff—

Hon. Mr. Meen: Would have let me do which, Mr. Paterson?

Mr. Paterson: Hire on the staff persons who are knowledgeable in the personal income tax field. I also wonder if you are acquiring additional personnel, office space and equipment to move into the personal income tax field.

Hon. Mr. Meen: I guess it is fair to say the answer to all of those, Mr. Chairman, is no.

Mr. Paterson: I just wanted to find out.

Mr. Chairman: Mr. Ruston.

Mr. R. F. Ruston (Essex-Kent): May I ask a question with regard to, I guess, administration? As far as I can see I think it should be dealt with under this—

Hon. Mr. Meen: Before we get on, maybe I should qualify my remarks to this extent. We may well have people on our staff who have some knowledge in that area. If they have, I don't know of it and they weren't hired for that purpose.

Mr. Paterson: You aren't in the process of hiring these people at this time?

Hon. Mr. Meen: No, we are not.

Mr. Breithaupt: Of course, this did come up, if I could intervene on this particular point, Mr. Chairman, as a result of certain remarks which were ascribed to the Treasurer during meetings, at least as reported, with the Ontario Chamber of Commerce. I believe the Treasurer was going to refer back to the Chamber of Commerce his views concerning his being misquoted. In fact, I believe in the question period he has denied the ascription of those remarks. The remarks dealt with the approach that we had gone too far ahead now even to turn back and because of a lack of co-operation Ontario was going to get into the collection of a separate income tax.

In my remarks on the budget I had invited the Treasurer to make a comment. I don't know if he has actually done so in the House as yet, but my understanding was that he was directing a letter to the Chamber of Commerce—

Hon. Mr. Meen: I think that is correct.

Mr. Breithaupt:—sorting out the matter and hoping that it would get as wide publicity as the original ascription of those remarks to him received.

Hon. Mr. Meen: I think the hon. member, Mr. Chairman, is referring to an editorial that appeared in either the January or February edition of the Chamber of Commerce magazine.

Mr. Breithaupt: Of their monthly magazine, whatever it is.

Hon. Mr. Meen: They forecast that we were moving into the personal income tax field. I didn't take it that they drew the conclusion from any remarks made by the Treasurer. I thought they had drawn it simply from the route we had indicated—that we were intending to repatriate the Ontario tax credit programme beginning with this fiscal year, and with our physical administration of the 1975 fiscal year beginning in January, 1976.

That route had, we thought, been forced on us by the Minister of National Revenue's rather adamant position of a little over a year

ago in which he indicated that last year would be the very last year for which the federal people would administer the OTC. We would, therefore, be obliged to administer our own, beginning with the fiscal year 1975 and, of course, handling it in 1976. We were gearing up for that, albeit with some measure of reluctance.

Then came my discovery, when the deputy and I went to Ottawa in March of this year, that the incumbent Minister of National Revenue had a rather different view of the entire matter, and indicated to us that they were quite delighted with the way in which the whole programme had gone and that as long as we wanted them to administer it, certainly for this current year, they would be happy and be very very pleased to do that.

That changed the entire complexion as to OTC itself. So, there is sort of a double-barrelled effect. I think the article to which you refer stemmed from the impression that we were moving firstly into OTC and we would use that as a jump-off for personal income tax.

Mr. Breithaupt: That was the impression that was given, because it would seem, Mr. Minister, from the earlier comments—at least as they had been understood by the Chamber of Commerce writers of that piece—that we were going to get into what many of us would look upon as a very regrettable and hopefully unnecessary duplication of costs in attempting to collect separately developed income tax funds.

Hon. Mr. Meen: There are trade-offs. If we had our own we would have greater flexibility. We could do a number of things with the tax credit programme if we were administering it ourselves, which we can't do this way. We would be able to issue our own cheques.

Mr. Breithaupt: That is often very important—to be able to issue one's own cheques.

Hon. Mr. Meen: Well, sometimes. But at least you can explain it. You can put stuffers in. You don't have to go to somebody cap in hand and say, "Will you do this for us?"—and perhaps find a negative response. So there are some advantages to administering these programmes on one's own behalf. But certainly the cost is another side of that equation.

Mr. Breithaupt: So this presumably has been laid to rest at least for the foreseeable future, because of the co-operation that you are now receiving with the federal authorities?

Hon. Mr. Meen: I think we were all quite pleased to find that co-operation extended. It

was surprising to me, and a pleasure when we found that co-operation.

Mr. Chairman: Mr. Ruston.

Mr. Ruston: I was wondering, Mr. Chairman, if I might bring up at this time your system of collecting the sales tax, although in looking over the estimates it would appear to be in 903, which is the general administration of the sales tax, fuel tax and others. Since you will want to get into them in some detail, I think I should hold it until 903.

Mr. Chairman: Mr. Young.

Mr. Young: As a matter of general policy, how much thought has been given to bringing the collection of revenue in the province right into the Ministry of Revenue? For example, I guess the mines profits tax and some others are collected by the Ministry of Natural Resources. Consumer and Commercial Relations collects some revenue in licences and fees, and so on. There is a dispersal of collections. It seems to me, particularly in matters of resources, that those revenues should come in through this ministry. Has anything happened to try to co-ordinate this whole thing?

Hon. Mr. Meen: Certainly these matters have been discussed, probably many times before I came on the scene for that matter. It's basically a question, I think, of what measure of expertise may be available in any particular ministry.

I think the mines profits tax was left with Natural Resources, where they have the mining branch, because of the expertise of their people in determining what kinds of reserves were in these mines; whether the figures being given to them by the mining companies were gross distortions or whether they bore some relationship to genuine estimates of reserves.

I don't know that I have anyone in my ministry, for example, who could go out and determine with any confidence at all, that figures given to him or to her—

Mr. Young: Couldn't you find someone?

Hon. Mr. Meen: —by people in the mining industry would be accurate and could be relied on. And so revenues of these sorts, as well as revenues in Consumer and Commercial Relations, as you mentioned, I suspect are incidental to other administrative areas and have therefore been left in the ministries in which the expertise resides.

Mr. Young: Isn't it possible sometimes for a department to be too close to the industry where it's dealing with taxation and everything

else, and that a ministry such as yours could find the expertise and find it very quickly and easily to deal at arm's length with this sort of taxation?

Hon. Mr. Meen: I suppose that's a possibility that one might pursue. I know for years people complained or alleged that the mining industry had too much influence in the ministry that collected the taxes from it. I suppose the other side is, where are you going to find these people if you don't get them right out of the mining industry to come in and work in the government as your experts? I really can't say whether that would be practical. I honestly don't know.

Mr. Breithaupt: It is such a narrow field that it is almost awkward for the person if the person serves for several years in the ministry and then goes back perhaps to a superior job from which that person left in the mining industry.

Hon. Mr. Meen: If he were really biased in my ministry, would he ever be able to find a job again?

Mr. Breithaupt: There's that possibility, but I think none of us has the tendency to burn every bridge entirely.

Mr. Young: He wouldn't need one.

Hon. Mr. Meen: That's right, he wouldn't need one.

Mr. Breithaupt: We don't all perhaps burn every bridge behind us as we go along the road. But I can see that that would be quite a strain on an individual, to appear without question to be entirely unbiased.

Hon. Mr. Meen: Yes, I am not convinced that we get qualified personnel to take on that kind of position.

Mr. Breithaupt: From any other source.

Hon. Mr. Meen: Yes.

Mr. Young: From Ontario. Is it not possible you could find it from some other jurisdiction or some other place around this world?

Hon. Mr. Meen: I presume if one could find it anywhere, it would be in the Ministry of Natural Resources.

Mr. Breithaupt: Yet, of course, the companies operate in other areas too; so it becomes a rather involved concern.

Mr. Young: It's a world-wide conglomerate.

Hon. Mr. Meen: That's right.

An hon. member: Pretty well.

Mr. Young: That's the problem. The other big problem, I think, in getting at these estimates is the problem of finding out exactly what revenue our resources do bring into the province. We have totals over three or four ministries, but we don't know exactly what section of what industry brings in certain revenue. We don't know what Abitibi pays, or Alcan or Boise Cascade.

Hon. Mr. Meen: You can look at their financial statements; sure you can. You can get their financial statements.

Mr. Young: But we don't get it through our own ministry.

Hon. Mr. Meen: No.

Mr. Young: It seems to me that that kind of information should be available here.

Hon. Mr. Meen: I am precluded by law from disclosing that. If Abitibi puts out a financial statement, you can get Abitibi's financial statement and thereby determine just what tax they have paid. But that's their choosing. The disclosure is of their making, not mine.

Mr. Young: For their shareholders and therefore to the public.

Hon. Mr. Meen: Sure.

Mr. Chairman: Anything else on item 1? Mrs. Campbell.

Mrs. M. Campbell (St. George): Could I ask just one question? We have been bombarded with statements from this government about their attempts to hold the line with the civil service and not to increase staff, and this would apply not just to main office here but to the whole ministry administration programme. I'm interested to know how it is we have such increases and I can't see that they relate only to any increases in salary.

I would like to know if there has been transfer of staff, for what purpose they have been transferred, and if there haven't been any, have we been adding staff and what is the situation.

Hon. Mr. Meen: We are actually down in total numbers, Mr. Chairman.

Mrs. Campbell: But you are up in individual salaries?

Hon. Mr. Meen: Yes.

Mrs. Campbell: And just on the settlement? It can't be that.

Hon. Mr. Meen: We are actually down. On an across-the-board figure we are down. Actual staff as at April 30, 1975, was 3,963. Actual staff in April, 1974 that was as close as we could get—was 4,064. In 1973, it was 4,082, having risen just a little bit from 4,074 in 1972. So we've dropped back from 1972's figure of 4,074 to 3,963 in actual staff.

Mrs. Campbell: Could you tell me then, do you have an increase in contracted services or consultant services or anything of that nature?

Hon. Mr. Meen: None in any area in which we—I think this is right; correct me if I am wrong, Mr. Crosbie—the GAINS programme is one, and I was going to say not in any programme—

Mrs. Campbell: I am sorry, I thought it would come under some other vote.

Hon. Mr. Meen: Well, just a second—we have no increase in any programme that is of a permanent nature except the GAINS programme, where we had to get that off the ground at this time last year, so we took a lot of people on on contract to get that rolling by July 1. The first home buyers' grant programme needs staff but it is of a temporary nature and so, of course, we would not bring them in as civil servants.

Mr. Young: Well, is this caused by computerization?

Hon. Mr. Meen: No, I don't think so, particularly. He was asking if it was because of computerization that we had been able to hold that. It may be to some extent, yes.

Mr. Young: The revenue field would be an area that would lend itself easily to the whole field of computerization.

Hon. Mr. Meen: Yes, that's right.

Mr. Chairman: Anything else on the main office? Mr. Good, then Mr. Cassidy.

Mr. E. R. Good (Waterloo North): Mr. Chairman, I came in on the tail end of the discussion. Did I understand the minister to say that the agreements to pay the tax credits through the federal income tax form will be continued?

Hon. Mr. Meen: No, I didn't. I said that they had agreed to take it on at least for this year and we are going to be reviewing it with them next year, or probably even later this year. But they agreed to take it on at least for this year, with a complete reversal of their original expression of misgivings to my predecessor,

Mr. Grossman, by Mr. Basford's predecessor, Bob Stanbury.

It's all very complicated, but in any event, a year or so ago, Mr. Stanbury had indicated that they didn't want to do it, that that was the last year they would do it and we were going to have to find some way to do it ourselves. This time around, in March, there was a completely different atmosphere.

Mr. Good: And how much lead time is required for that arrangement with the federal government and also—and this is probably more of a Treasury question—if you wanted to change any agreement for collection of provincial income tax?

Hon. Mr. Meen: It would depend on the nature of the change. I think forms and what not require quite some months of lead time.

Mr. R. J. Weiers (Comptroller of Revenue): June, for next year.

Hon. Mr. Meen: June of this year, if we were going to change something in January of 1976.

Mr. Good: You mean that that is all the time required if you wanted the federal government to collect, say, 29.5 per cent instead of 30.5 per cent on provincial income tax? It would just require from June of one year until the January of the next year?

Hon. Mr. Meen: Well, I can't be—

Mr. Weiers: It could be left as late as Oct. 1 for a change of rate, if that is all it is.

Hon. Mr. Meen: If that is all it is—just a change of rate—Mr. Weiers says October.

Mr. Chairman: Mr. Cassidy.

Mr. M. Cassidy (Ottawa Centre): I have several questions about the discussions with the federal minister. Have you been involved, Mr. Meen, in discussions about the \$2 checkoff which was recommended in the Camp commission report?

Hon. Mr. Meen: Yes, I have written to the Minister of National Revenue on the matter and I don't think we have got anything back from him at all.

Mr. Cassidy: Are you pressing for some kind of a discussion?

Hon. Mr. Meen: Well, we wrote a follow-up letter. I have written him twice now.

Mr. Cassidy: Do you ever use the phone?

Hon. Mr. Meen: No, I have never called him.

Mr. Cassidy: You don't use the phone, okay. What is the position as far as the cabinet is concerned? Has the cabinet taken a position that they will have this if the federal people will agree?

Hon. Mr. Meen: No, I don't believe cabinet has made a decision on this yet. The first thing was to determine whether it could be done.

Mr. Cassidy: Is it not the case that every taxpayer in Ontario fills out the property tax credit form, which is an Ontario form, and if that is so, would it not be possible for Ontario to put the \$2 checkoff on to that part of the form rather than on to the main income tax return?

Hon. Mr. Meen: It may be possible to do that, I don't know. We would want to know first whether it could be administered by the federal government, remembering also that that decision does not have to be made until later. You don't put these things off if you can make the decision easily and get all the mechanics done.

It can be delayed until the fall, maybe even the spring, January or February, to get the mechanics worked out as to how that claim could be made. It would be a matter that would be filed in March or April, whenever the income tax return for the individual is prepared and filed for the year 1975. We are not closing the door to its being available for the year 1975.

Mr. A. Carruthers (Durham): What is the \$2 checkoff?

Hon. Mr. Meen: The \$2 checkoff, Mr. Chairman, was suggested by the Camp commission as a way for every taxpayer to indicate on his form whether he wanted that money directed to one of three or four parties in Ontario.

Mr. Chairman: Anything further on main office?

Mr. Cassidy: Yes, can I pursue that a bit more with the minister?

Hon. Mr. Meen: Yes, my deputy reminds me that one of the main hangups in all this, is the reluctance of the federal government to designate a political party on the income tax return itself.

Mr. Cassidy: Can the deputy explain the reason?

Hon. Mr. Meen: No. They simply have grave reluctance.

Mr. Cassidy: They have hangups about that. What control does Ontario have over the property tax credit form? Does the property tax credit form go out to every Ontario tax filer?

Hon. Mr. Meen: It goes out automatically with the form. There are a lot of people who are entitled to a property tax credit who don't automatically get the income tax return form from the federal government. They are the ones we are trying to reach by advertising.

Mr. Cassidy: Those are people who have received the property tax credit, but who do not actually pay a tax. Is that correct?

Hon. Mr. Meen: That's right. They may not have paid a tax before and, therefore, not have received any blank form from the federal government with their name imprinted on it.

Mr. Cassidy: In order to be able to pay money on a checkoff, you have to be able to pay tax, I believe. In that case, does that not mean every person who pays Ontario tax will also, almost automatically, receive a copy of the property tax credit form?

Hon. Mr. Meen: If he pays tax he will receive it. All tax filers get it, but it's deductible from income tax.

Mr. Cassidy: Yes.

Hon. Mr. Meen: It's not really a tax credit in the same sense as our tax credit form is a tax credit, being a tax credit against municipal taxes, against rental, against retail sales tax, and the old age pension.

Mr. Cassidy: But, it's a means of designating part of one's Ontario property tax.

Hon. Mr. Meen: No.

Mr. Cassidy: It's a means of designating when it is tax payable to Ontario.

Hon. Mr. Meen: Designating \$2 out of the 30.5 per cent of personal income tax that may be payable.

Mr. Cassidy: That's right. Is it not possible, then, on the property tax form which is controlled by Ontario, and enclosed with the federal tax forms, to allow the filer to record, at that point, that he wants two bucks of his money to be given to such-and-so a party?

Hon. Mr. Meen: Yes, it is possible, but it would be much simpler to get it on to the federal return.

Mr. Cassidy: Yes.

Hon. Mr. Meen: If we can get the federal government to agree, then we can make a decision as to how we go about it.

Mr. Cassidy: Fine.

Hon. Mr. Meen: If they don't agree to it, we have got to sit down and figure out the more complicated method of getting it onto the tax credit form.

Mr. Cassidy: What is the deadline for getting it onto the 1975 tax returns, and when are those returns made available?

Hon. Mr. Meen: You mean the tax credit forms themselves?

Mr. Cassidy: Yes.

Hon. Mr. Meen: In December.

Mr. Weiers: The federal forms are usually ready by about the second or third week of December for mailing near the end of the month.

Mr. Cassidy: And the provincial forms must be ready at the same time?

Mr. Weiers: They must be included. They must have the information to give them sufficient lead time to put the whole thing to the printers, and collate the forms. Presumably they need about two months for that type of thing.

Mr. Cassidy: You need about two months before the end of December?

Mr. Weiers: Oh, yes, to put the whole thing together.

Hon. Mr. Meen: This gets us back to an earlier date than I have been picturing.

Mr. Cassidy: Okay, that's the reason I am pursuing the matter with the minister. Bearing in mind we may be in an election situation in the fall, and that's not the time when the government is most likely to deal with this particular matter, I wonder, Mr. Minister, whether you might not take this up with the federal people this spring, and seek a decision from cabinet before everybody goes away for their holidays.

Hon. Mr. Meen: I have already sent two letters. If I can get a little time between now and the middle or end of June, I'll take it up with them again.

Mr. Cassidy: Okay.

Hon. Mr. Meen: I would like to get the matter resolved, as to whether we'll do it or not.

Mr. Cassidy: Okay. I understand you have got to do it now because if you wait until the fall, we will lose a year on it. Is that correct?

Hon. Mr. Meen: No. Well, maybe. We would hate to.

Mr. Cassidy: Okay. Second question: The minister said the other day that about \$400,000 was being spent on the advertising for the home buyer grants.

Hon. Mr. Meen: Home buyer grants—\$412,000 is the actual figure.

Mr. Cassidy: How much is being spent on all the other advertising programmes that the ministry has on tap for the current fiscal year and how much are they costing? How much did the ministry spend last year on those programmes?

Hon. Mr. Meen: We have nothing else at all on tap for this year.

Mr. Cassidy: Nothing else on tap?

Hon. Mr. Meen: Except my deputy reminds me of the normal and rather minor things. I am not even sure what those would be.

Mr. Breithaupt: You would include, would you not, the getting-your-fair-share situation? That programme would receive advertising aid.

Hon. Mr. Meen: Oh yes, the tax credit—sure.

Mr. Crosbie: It is essentially over for this year, that programme.

Mr. Breithaupt: In other words that would have been in last year's estimates, in effect, but, of course, presumably there is something in this year's estimates for next year.

Hon. Mr. Meen: It spreads over the two of them, as you realize, because it begins in January and that was around \$400,000.

Mr. Cassidy: For the fair share programme?

Hon. Mr. Meen: For the fair share programme.

Mr. Cassidy: How does that compare with the previous year?

Hon. Mr. Meen: Is that a reasonably accurate figure—\$400,000 on the fair share programme?

Mr. Crosbie: Yes, \$400,000 to \$500,000.

Hon. Mr. Meen: It was substantially below last year's because we didn't go into television.

Mr. Breithaupt: Presumably this becomes a lower amount if you are able to get people into the practice of filing.

Hon. Mr. Meen: Yes. There is \$125,000 in the budget somewhere for advertising with respect to closing of the roles and the enumeration in the fall.

Mr. Chairman: Anything else on the main office?

Mr. Cassidy: Yes, Mr. Chairman. The fair share programme will cost about \$500,000, is that correct?

Hon. Mr. Meen: I thought it was less than that. I said \$400,000 but it may be a little more than that.

Mr. Cassidy: How did that compare with the previous year? Is it up or down?

Hon. Mr. Meen: Down, lower than the previous year.

Mr. Cassidy: Is it down substantially?

Hon. Mr. Meen: The previous year, you will recall, I estimated around \$500,000 and, I think, it became a little more than that by the time we were finished. I don't know that we have an exact figure. Do we have the exact figure for advertising the fair share programme in 1974? It is hard to appropriate some costs, particularly in head office, to some of these programmes. By the time you have done it, you are not sure whether you have assigned half a person's time for the period or what you should assign, so the figures aren't necessarily precise.

Mr. Crosbie: The two together—the GAINS programme and the OTC—come to about \$550,000.

Hon. Mr. Meen: That's okay—\$550,000 for the two programmes combined.

Mr. Cassidy: How do you work the timing of these things? Does it always happen that the advertising is turned on just prior to an election and, if that is the case, are you told by some committee of cabinet to do it or do you just automatically know when the time has come to turn on the programme?

Hon. Mr. Meen: Really, when you have programmes and you have to let the people know that the programmes are there, they call

for advertising. Last year we had the OTC and the GAINS programme—we had to let people know.

Mr. Cassidy: How many firms were asked to tender for the home buyer grant advertising programme?

Hon. Mr. Meen: That was given to the same company that had been doing the other work for us—F. H. Hayhurst.

Mr. Cassidy: Who decided on the singing commercials?

Hon. Mr. Meen: Matter of fact, I did. Did you not like them?

Mr. Cassidy: Well, they were very good politically. I am not so sure that they fulfilled the purpose of the programme.

Hon. Mr. Meen: I think they attracted some pretty good attention.

Mr. Chairman: Anything on the main office? Carried.

Anything on legal services. Carried.

Audit services—any questions? Carried.

Mr. Paterson: Might I ask a question? Does this get into the specifics of the retail sales tax audit?

Mr. Chairman: It's internal audit—ministry operations. Management services, item 4.

Mrs. Campbell: This is systems.

Mr. Chairman: Management systems. Anything on that? Carried.

Vote 901 agreed to.

On vote 902:

Mr. Chairman: Administration and planning; item 1.

Mr. Cassidy: In view of the fact that this is not a policy ministry is the minister able to give us some details?

Hon. Mr. Meen: Let me just read to you from some notes I have here. That would be the most precise way to give you the picture.

The purpose of the programme is to provide administrative and professional services in support of operating programmes. The programme includes the office of the executive director, whose main functions are to ensure that financial, material and human resources, programme analysis, budget co-ordination, operating data, accounting services and procedural instructions are made available, and

control mechanisms are maintained and made available to operating managers in order that they may carry out approved programmes in an economical, effective and self-controlled manner.

Mr. Crosbie: Go on; the next paragraph.

Hon. Mr. Meen: They say I should read the next paragraph, too.

The programme analysis and budgeting group in the executive director's office is responsible for the following: Preparation and submission of the annual estimates, multi-year planning, variance analysis, programme analysis, goal setting and review, and current funding.

Mr. Breithaupt: I suppose that would be even more impressive if we didn't have an administration area in each of the votes.

Mrs. Campbell: That's right.

Mr. Breithaupt: I guess we will have to take your word for it.

Mr. Chairman: Is there anything else in this item?

Mr. Cassidy: I would like to know what the main office does.

Mrs. Campbell: That's it exactly.

Mr. Cassidy: Don't go so fast, Mr. Chairman.

Mr. Chairman: Well, I'm ready to listen.

Mrs. Campbell: What is the difference between these two functions, main office and support services, in a non-policy making ministry?

Mr. Chairman: There has been ample opportunity to ask questions.

Mr. Breithaupt: After all, we are spending \$2 million.

Mrs. Campbell: You have substantially increased every item in the first vote, including legal, which is interesting, and now you've got here something one would have thought could have been handled by the main office.

Hon. Mr. Meen: Let me ask the deputy minister, who is directly involved in this, to outline the vote to you.

Mr. Crosbie: Mr. Chairman, in the main office, the organization of the ministry, we have reporting and, covered by this vote, the minister's office, the deputy minister's office, the legal services, the audit services and the management systems.

Mrs. Campbell: But nobody there co-ordinates anything.

Mr. Crosbie: It depends what you are talking about in co-ordination. The legal services is a ministry-wide function and that office co-ordinates the legal functions for all the ministry. The audit services is a ministry-wide function and it co-ordinates the audit services throughout. Management systems is a ministry-wide function. All those three functions report directly to the deputy minister's office.

The support services are the personnel branch and the financial services branch, the administration, the normal purchasing of supplies for the ministry and the budget office for the ministry. The budget office prepares the analysis of our expenditures and our multi-year forecasting of expenditures. Of course, when all of these are prepared they are processed through the deputy minister's office and through to the minister. It is a case of the bodies that are doing the work being in the support services division.

Mrs. Campbell: What planning do they do?

Mr. Crosbie: They are involved in the budget planning, working in conjunction with all the other operating branches. The operating managers provide them with information on what the programmes are designed to accomplish and what funds and complement and other requirements they will have over the planning period. All this is brought together for the ministry by this budget and planning group.

Mrs. Campbell: You have your management systems in the first, and your planning and support services. To whom do these people report directly?

Mr. Crosbie: The planning people in the support services report directly to the executive director of the support services division.

Mr. Good: That is what you call bureaucracy.

Mrs. Campbell: It certainly is.

Mr. Chairman: Any other questions?

Mr. Cassidy: Yes, let me pursue this with the deputy minister. What use to you, as deputy minister, is the whole outfit run by the support services people? If you had to cut some of it out, what would you take out first?

Mr. Breithaupt: That is known as a leading question.

Mr. Crosbie: The personnel branches in the support services—I think you understand the function of a personnel branch—

Mr. Cassidy: You hire people and you fire them, okay?

Mr. Crosbie: That's right. Unless you are an up-the-organization man who says, "Throw out the personnel branch first"—I certainly don't ascribe to that view—you certainly would not get rid of the personnel branch. The purchasing unit acquires the materials for the branch—a necessary function. The financial services branch is the one that processes the invoices and payroll for the operations of the ministry. They are all essential services. I wouldn't get rid of any of them.

Mr. Young: In other words, this keeps the wheels of the department turning.

Mr. Crosbie: That's right. These are the support services to keep the ministry operating, to support the operating branches themselves in their day-to-day work.

Mr. Cassidy: What are your purchases over the course of a year for the ministry?

Mr. Crosbie: I don't know whether we have that consolidated in one figure or not. We can give you a total figure for the supplies and equipment, and that is \$1.9 million—the ministry total.

Mr. Cassidy: One million, nine hundred thousand dollars.

Mr. Crosbie: Yes.

Mr. Young: Do you buy through the Ministry of Government Services? Do you requisition and they do the purchasing?

Mr. Crosbie: That is correct, and then they charge it to us.

Mr. Young: And then they charge it to you.

Mr. Chairman: Any further questions on the first item?

Mr. Cassidy: I want to pursue this. Do I understand correctly that the administrative services people are responsible for the purchasing of the ministry? Is that correct?

Mr. Crosbie: Yes.

Mr. Cassidy: What else are they responsible for besides that? Or is that their major function?

Mr. M. K. McCutcheon (Executive Director, Support Services Division): May I answer that?

Mr. Crosbie: Yes.

Mr. McCutcheon: This branch is responsible for not only purchasing equipment, it is responsible for co-ordinating accommodation requirements, for seeing that we have proper telephone services—

Mrs. Campbell: Possibly.

Mr. Good: One million dollars to process \$2 million.

Mr. McCutcheon: They look after all the mail and messenger services for the ministry, and they operate the ministry library. Let me see if I left out anything—I think that covers just about everything.

Mr. Cassidy: Those come out of that same vote, is that right?

Mr. McCutcheon: Yes.

Mr. Cassidy: Thank you.

Mr. McCutcheon: And printing services too, this is another large item.

Mr. Chairman: Mr. Young.

Mr. Young: Something was said here that all purchases do not go to the Ministry of Government Services. What purchases don't?

Mr. McCutcheon: For instance, if we are buying automobiles for the assessment division, we process that through to Transportation and Communications. There may be special forms that we have to get, so we would have our own printing done; Government Services wouldn't handle that for us. We have certain pieces of equipment which they don't stock—after all, Government Services only stock common items—so we would have to buy our own equipment.

Mr. Young: Would that be fairly expensive equipment then?

Mr. McCutcheon: Could be, but not necessarily.

Mr. Young: I understand from the Ministry of Government Services that they got requisitions from other departments when it came to this sort of sophisticated equipment. Then they called for tenders and brought the stuff back and you paid for it.

Mr. McCutcheon: That's right. That's correct, but occasionally this won't happen. There may be some situations where they can't handle it for us. For instance, Government Services has a standing order on furniture. Now, if we

require a piece of furniture, we will order it under their standing order.

Mr. Young: If you need a specialized bit of equipment, a machine dealing with the revenue department and revenue alone, then you might order that yourselves?

Mr. McCutcheon: We might, yes.

Mr. Chairman: Mrs. Campbell.

Mrs. Campbell: Who would be advising these administrative services on organization and methods? Is that what you are doing? Who has any control over office space and staff and telephones and motor vehicles and the rest? Is there not someone in the main vote who does this? Is there no control at all?

Mr. Crosbie: Oh, yes, there is control in all of these. Your space allocations, for example, are to government standards.

Mrs. Campbell: I am aware of the standards, but I am talking about allocation for expansion. Because certainly I am not satisfied that there hasn't been expansion, notwithstanding the answer I got on the main vote. There certainly has been some expansion of staff, either staff or under the contract of services. But why administrative services in this area should be so costly, I don't understand.

I think, surely, there must be some control exercised on administrative services here, when you have such a healthy account in the ministry administration programme. Is it a fact, as my colleague suggested, that it was costing us \$1 million to process \$2 million?

Mr. Good: Surely it is not costing \$1 million?

Mrs. Campbell: That is what he said.

Mr. Chairman: Is there an answer to that?

Mr. Crosbie: I think you have to look at the fact that the mailing services processed here, the services—

Mrs. Campbell: What mailing service are we talking about—the ministry mailing services?

Mr. Crosbie: Yes.

Mr. Breithaupt: That would be the retail tax bulletins to every company that is incorporated, and that sort of thing.

Mrs. Campbell: Is this the one that has been mixed up? You see, this is where I get confused. It's the one that has been mixed up with the rip off in the sales tax as it relates to municipalities and hospitals. Or is that a function of somebody else?

Mr. Crosbie: I am not sure I know what you are referring to.

Mrs. Campbell: I presume it's Treasury, but when you get down to it, how do you figure out which is which? You are doing mailings on sales tax?

Mr. Crosbie: Yes.

Mrs. Campbell: And then you find that there are people all over the province who are giving different answers to different people, and if they are paying for this kind of mailing, I would think that they may be having some even greater criticisms than they already have. And I'd like to know what the control is. Where is it?

Mr. Crosbie: The control of this operation, if you want to go into the hierarchy of the ministry, is that there is a director in charge of personnel branch, there is a director in charge of the administrative services, there is a director in charge of financial services. They report to the executive director, who reports to me as the deputy minister.

As I say, these are support functions and the need for the service depends on what the rest of the ministry is doing, and the size of the ministry. By comparison, our personnel services branch is one of the smallest in comparison to the number of personnel being serviced by it. The financial services, once again, are influenced by the number of transactions they have to process. The administrative services, again, are greatly influenced by the number of transactions the ministry has to process; the receipts of all the incoming tax payments, for example—the processing of that type of thing.

An hon. member: All duplicating services—

Mr. Crosbie: We found that when we took on the GAINS, the OTC and the Ontario home buyer's grant, there was a need to add additional staff, move staff in the ministry to the administration branch to service the additional people. The same in the personnel branch; there was an increase of complement in that branch from other areas in the ministry. There has been a transfer of staff within the ministry.

Mrs. Campbell: Has there been a transfer of staff from any of the main office vote over into here?

Mr. Crosbie: No, I don't—

Mr. McCutcheon: From main office into support services? No.

Mrs. Campbell: Are you completely computerized in this ministry?

Mr. Crosbie: No, we are not.

Mrs. Campbell: Could I know why not? To what extent are you on terminals?

Mr. Crosbie: When you say completely computerized, once again that is a very general statement. Could you explain to me what you mean by completely computerized?

Mrs. Campbell: You have just spoken about some of the functions with regard to the tax services that flow in. To what extent is that service computerized?

Mr. Crosbie: Our retail sales tax programme is computerized, but it starts off with a letter. A vendor sends in a cheque and that material has to be recorded, microfilmed and key-punched, and then you get into your computer system. But you can't completely computerize that operation.

Similarly, with our corporation tax, our search area in corporation tax is now using cathode ray tubes to call up the files; all the data on corporations are recorded on tapes that can be analysed by computer. But there is still an awful lot of paperwork, the corporation tax returns come in in a paper form which has to be scrutinized and examined.

The assessment division has a computer programme which we are in the process of building up now; I am referring to our data bank on the inventory of assessments. That starts off as a field assessment and has to be entered—

Mrs. Campbell: What happens here in any one of these functions where you have the intervention in the tax field of ministerial discretion? Is it reflected in any of this vote?

Mr. Crosbie: No, no.

Mrs. Campbell: I see.

Mr. Crosbie: Except to the small extent that the executive director's office is responsible for co-ordinating our applications for orders in council, which go through Management Board; that is one of the co-ordinating functions of that office. So that if there is a ministerial intervention and a tax relief is provided by order in council, then it will be processed through this office.

Mrs. Campbell: Then could you give me any estimate of what it is costing us to have a function by which we cover off the situation where you get tax relief through the exercise of discretion? What does that cost us?

Mr. Crosbie: No, I couldn't put a dollar value on that at all.

Mrs. Campbell: Mr. Chairman, I would say to the minister that it would be of interest to me to know just what it is costing us to grant exemptions of tax—if it is in this vote, and I'm assuming—

Mr. Crosbie: No, it is not.

Mrs. Campbell: Oh, it isn't in this vote now? It was a minute ago.

Mr. Crosbie: Only indirectly in the processing and the co-ordination of it. When you are talking about a ministerial discretion, it would depend where the matter arose.

Mrs. Campbell: Right, let's take the land speculation tax, which isn't indicated as a special tax in the next vote. It's interesting to me that we don't seem to get a very clear picture of the operation—maybe I'm the only one who doesn't understand the function.

Mr. Crosbie: I think you are asking a question that is very difficult to document without creating a much larger bureaucracy to keep control of specific times. For example, if we get a retail sales tax claim in one area where we are having a problem now, which is double taxation on the purchase of automobiles, somebody has to write in and complain about the fact that Quebec has taxed them and Ontario has taxed them; we have to sort out the situation. If we satisfy ourselves that it is a situation where Ontario should provide tax relief, then somebody in the retail sales tax branch will prepare the documentation and it will be forwarded through the support services to Management Board and it will have come through the minister's office, it will come to my attention.

If you have a large number of people who at various stages of this may have spent some time on it, I can't tell you overall how many dollars the ministry spends in a year processing that type of application. I think it would be almost impossible without going to a very great deal of expense to keep time sheets for everybody who might become involved in an exemption of one kind or another.

Mrs. Campbell: Mr. Chairman, it is obvious we are not going to get to the root of it. It does seem to me, however, that if we did have an organization and methods—a person looking at this ministry—there would be, I would think, some pretty radical changes made in its concept and in the way in which it has been developed.

We have passed the first vote so you can't go back to it, but I am concerned. I still don't see why these functions have to be spelled out into a separate and special department of the ministry. Perhaps I better get myself a computer person to tell me why, because I don't understand it.

Hon. Mr. Meen: That is why it is difficult to elaborate at all on what the deputy has already said, Mr. Chairman, with respect to this business of ministerial discretion. That's just one of many areas where questions come across my desk and they are supported by documentation of a financial nature and other factors as well from time to time, which you have to deal with in running the government.

The degree of detail that would be required to get to the root of what it would cost to process something like that—isn't in the computer when it starts and isn't in the computer when it winds up either, because it is an exemption and therefore an exception—that really would be a colossal increase in the bureaucracy. We are trying to simplify the bureaucracy, not get it more complicated. It has to have a certain measure of complication in order to function properly. I think we have it here.

I must confess to some doubt that I fully understand what Mrs. Campbell is trying to reach—unless she is trying to identify what it costs to process some particular application, be it an exemption under the Land Transfer Tax Act or be it an exemption for retail sales tax purposes on, say, a double tax problem or whatever.

Mrs. Campbell: Or if this province should decide they wanted to accept a letter of intent in the retail sales tax situation rather than the present statute of limitations, which seems to simplify it greatly for the operation.

Hon. Mr. Meen: No. All these things take you right out of a computer because you are then making a judgement call on every one of them.

Mrs. Campbell: This, of course, is exactly what I am getting at. I am concerned about anybody in the tax field with discretion—

Hon. Mr. Meen: I'm sure you wouldn't want it so inflexible that it couldn't be exercised to mitigate hardship. As soon as you have that kind of flexibility—

Mrs. Campbell: I would like to know that that is the situation—that it is a hardship we are looking at.

Hon. Mr. Meen:—then any of these exemptions, as you know, are made public. So, you can view them for yourself when they occur.

Mrs. Campbell: I haven't perhaps caught it.

Mr. Chairman: Anything further on this first item?

Mr. Cassidy: Yes, several items.

Mr. Chairman: Mr. Cassidy.

Mr. Cassidy: I would like to ask the deputy minister, what are the major categories of staff in the ministry. You have about 4,000 people. Presumably a large number are assessment officers or some rank like that. What are the other major categories of people within the ministry and how many have you got in them?

Mr. Crosbie: Just in rough figures there is approximately 2,500 in the assessment division and 1,100 to 1,200 in the revenue division. The balance would be in the other functions of the ministry.

Mr. Cassidy: How many of the assessment people would be assessors? I guess that's the main rank there, isn't it?

Mr. Crosbie: Fourteen hundred.

Mr. Cassidy: Fourteen hundred. And in the revenue division, have you got a tax assessor or an equivalent rank?

Mr. Crosbie: In revenue we have about 400 tax auditors.

Mr. Cassidy: And the rest are support staff, are they?

Mr. Crosbie: There is a lot of clerical staff involved too.

Mr. Cassidy: I would like to ask the minister is he aware how many of the assessors in the department are women? And is he aware how many of the tax auditors in the department are women?

Hon. Mr. Meen: No, I don't have the figures on how many are women.

Mr. Cassidy: Has the minister ever inquired to find out?

Hon. Mr. Meen: We have a programme here and I think we can get those figures for you.

Mr. Cassidy: Has the minister ever inquired to find out?

Hon. Mr. Meen: No, I don't recall ever asking.

Mr. Cassidy: Well, you should have, shouldn't you, if you believe in affirmative action? What affirmative action has the minister directed to be taken within the ministry?

Hon. Mr. Meen: We have passed the vote dealing with the equal opportunities for women programme and Jean MacDonald and her whole programme, have we not?

Mr. Cassidy: Personnel services is a good place to raise it.

Mr. Crosbie: It's under the deputy minister's office.

Mr. Breithaupt: Perhaps we could return to that.

Mrs. Campbell: Oh, in the deputy minister's?

Mr. Cassidy: Could the minister tell us, without having to crib from his notes, what the ministry is doing about the status of women in providing equal opportunity for women within the ministry?

Hon. Mr. Meen: I don't know why we should be going back to this, Mr. Chairman.

Mrs. Campbell: We are on personnel.

Mr. Cassidy: We are on personnel, Mr. Chairman.

Mr. Chairman: I suppose, Mr. Minister, that these things come under several headings.

Mr. Good: Do you have any female assessors?

Mr. Cassidy: I want to ask the minister this, if I could. I would like him to answer, because if the political level of this government is not aware and working in order to provide equal opportunity for women, then it is not going to happen.

Mr. Chairman: Well, Mr. Cassidy, you have asked the minister the question. It's up to the minister to answer it.

Mr. Cassidy: He can't answer it and that speaks for itself.

Mr. Chairman: Whatever statement the minister wishes to make at this point, he can.

Hon. Mr. Meen: Jean MacDonald, who is in charge of this, has a full-time assistant, Karen Klinger. They have put out an attitudinal questionnaire to all women in the ministry—to all employees for that matter within the ministry. They have been compiling this. They got a 74 per cent response or something like that, which I thought was a pretty good response.

They had their election of representatives to the ministry. They have had an election throughout all the offices and in every office an individual woman has been elected to be a representative to the group. They will have about 75 members on that committee as various representatives from the various offices.

They will be having career development workshops for women. I think there will be one this month and one in June is the next one in the works.

They are planning, I am told, an International Women's Year project. That will be active in 64 different regional offices. They have all that going on. They will have, I understand, in October an advisory committee conference. They have many things going on, hopefully, to get the picture across to women as to just what opportunities may be available to them.

Mr. Cassidy: Could the minister say what meetings he has had with women in the ministry to talk about equal opportunity?

Hon. Mr. Meen: I have talked to Mrs. MacDonald and to Karen Klinger on a number of occasions, Mr. Chairman. They are the ones who administer the programme.

Mr. Cassidy: Has the minister met with any other women from the ministry in order to talk about this at all, in any way?

Hon. Mr. Meen: Well, my secretary keeps importuning me on the subject.

Mr. Chairman: Do you have further questions, Mr. Cassidy?

Mr. Cassidy: Yes. How many assessors in the ministry are women? Can the minister give us that answer now?

Hon. Mr. Meen: I don't have that figure, perhaps Mr. Gillis has it.

Mr. P. G. Gillis (Executive Director, Municipal Assessment Division): There are 40 women assessors and 75 to 80 in management positions at various levels.

Mr. Cassidy: Altogether in the ministry?

Mr. Gillis: Altogether there would be about 120 who either are assessors or are in management.

Mr. Cassidy: In the entire ministry?

Mr. Gillis: In the assessment division of the ministry.

Mr. Cassidy: Right. How many management positions are there in the whole ministry?

Mr. Gillis: About 300 in the assessment division.

Mr. Cassidy: You had better describe those then because 40 out of 1,400 is about three per cent. You say there is a higher proportion in management positions in the ministry; what does that mean?

Mr. Gillis: The management positions in the ministry are from supervisor up. In our offices, in most instances, the clerical support functions are managed by women. The assessment services managers, in some instances, are woman and most of the assistants are women.

Mr. Cassidy: What do the assistants do?

Mr. Gillis: They supervise the various clerical functions, the EDP input, the making of calculations, the preparation of property records—probably about 120 different functions.

Mr. Cassidy: They perform the traditional roles that women perform in offices; is that correct?

Mr. Gillis: No, they don't. They perform superior roles than women have traditionally carried on in offices.

Mr. Cassidy: They manage the typing pool. I'm sorry that's what it sounds like.

Mr. Gillis: No, they do not manage the typing pool. They manage the support staff.

Mr. Cassidy: Who are mainly all women?

Mr. Gillis: No, who are not all women. It's about 60-40, men and women.

Mr. Cassidy: Perhaps I could ask about the other side, the tax auditor's side. How many of the tax auditors are women?

Mr. Weiers: I haven't got the same figures that Mr. Gillis has. We do have tax auditors in the revenue division who are women. I can't tell you how many there are.

Mr. Cassidy: Approximately how many would you say?

Mr. Gillis: Out of 400 tax auditors, I suppose—and I'm guessing wildly—perhaps 20 to 30.

Mr. Cassidy: About five per cent again. Perhaps either of you gentlemen could say what action have you been taking or you are aware of, to increase the recruitment. Let's say, of last year's intake of assessors, how many were men and how many were women?

Mr. Gillis: Our difficulty with the assessors is simply that they must receive special

training. The training is conducted at the community colleges. The community colleges open the training courses to everybody who comes out of high school; they do not try to select or pre-select. We have hired everyone who has been available over the last four years, men or women. Our problem has not been making any kind of a decision whether to hire a man or a woman; it's just that there weren't enough available and we took them all.

The total problem is that the community colleges have not been all that successful in enticing young women out of high schools to take the training course.

Mr. Cassidy: You mean there is capacity in the community colleges to train more assessors if they could find the students?

Mr. Gillis: That's right.

Mr. Cassidy: I see. What steps has the ministry taken? Perhaps you could say what are the career level earnings or wages these days of an assessor?

Mr. Gillis: A working level assessor would earn about \$13,000 to \$15,000 a year.

Mr. Cassidy: I see. Are there prospects for promotion as well in that field?

Mr. Gillis: Yes, they can move to the next level, which is a specialist, and then move into the management series.

Mr. Cassidy: I see. Given women's earnings these days it's a well paying job?

Mr. Gillis: Yes, it is.

Mr. Cassidy: What steps has the ministry taken to go into high schools or take other action in order to acquaint women with the prospects of becoming assessors?

Mr. Gillis: We took a very positive step in 1969 and 1970 in that we sent people around to every high school. We convinced the community colleges to put the programme on. We supplied all the people to teach it and administer it in its first two years and then gradually turned it over to the community colleges themselves and reduced our participation.

In the first two years of its operation, we virtually ran it completely through the community colleges. There's little question we would take anybody who came out of high school, man or woman, with a grade 12 education. We tried our best to get them in because in many instances women do better at the job than men. Unfortunately, we just haven't been that successful.

Mr. Cassidy: I don't want to criticize you for what was done or not done five or six years ago but in the more recent past, given the fact you have only 40 out of 1,400 assessors who are women, what have you been doing in order to acquaint women with this opportunity for a not badly paid \$15,000 a year job for which women apparently are fairly adept?

Mr. Gillis: Every high school in the province is circulated but there are only four community colleges which are conducting the programme out of the total number; I don't know how many colleges there are. There are four and, of course, that means in many instances the students must move away from home to Cornwall or London or Belleville, or Sudbury. I suppose that in some way, shape or form may diminish the participation by young women—I don't know that. But we do circulate every high school; the total community college programme is available. Women are attracted to community colleges to take certain courses. Assessment doesn't seem to be that attractive, even though salaries are very good, and even though the young ladies who are employees seem very happy.

Mr. Chairman: Are you finished, Mr. Cassidy?

Mr. Cassidy: I was going to say, in the light of all this discussion, perhaps the minister could tell us what steps he would now propose in order to ensure equal opportunity for women within his ministry.

Hon. Mr. Meen: Jean MacDonald and Karen Klinger and their advisory group will be having their workshops and will doubtless come up with some ideas for us. At this stage, I am letting them work out what they would want to do by way of promoting the various programmes within the ministry and just how they could go about it. I think the deputy has a few suggestions.

Mr. Cassidy: Mr. Minister, don't you have any ideas? Doesn't this matter to you? Aren't you concerned in any way?

Hon. Mr. Meen: Oh, for goodness sake.

Mr. Cassidy: Do you really listen to your secretary and your wife about these things?

Are you satisfied with those comments by the minister?

Mr. Chairman: Order, please.

Mr. Cassidy: He is not trying very hard.

Mr. D. A. Evans (Simcoe Centre): There are no women in the NDP, not one.

Mr. Chairman: Order, please.

Mr. Cassidy: We have had an awful lot of good women candidates. There are a great number of able young women working for the NDP in various capacities.

Mr. Chairman: The deputy minister would like to have a word.

Mr. Crosbie: I was just going to say, Mr. Chairman, I think one of the problems in the Ministry of Revenue that we have suffered from is probably the myth that women will not travel. In revenue collection, the tax auditors spend a great deal of their time on the road. I think this has been a myth in the past that perhaps has kept more women out of this position.

One of the things that we started last fall was an attitudinal study of the staff, all the staff, into these questions of whether or not they are prepared to travel, would they take the courses necessary to qualify them for the auditing positions. We have gathered quite a bit of information about what the people really want now, what their expectations are.

One of the things we are moving to now are career development workshops. These are being set up across the ministry to counsel women on what steps they can take to qualify themselves for the various semi-professional or professional positions; tax auditing work, for example.

I think, as in many institutions, there is an awful lot of basic ground work necessary to convince the male population that this is the right way to move.

Miss MacDonald has been given very broad discretion in how she wants to develop the programme; and the emphasis has been to develop it from the ground up.

The minister mentioned the 75 representatives. This was to have somebody in every field office of the ministry who would serve as a contact point to take the messages out and let the women know what is available in the ministry, what they have to do to get in line for some of these programmes and promotions; to find out what they feel the stumbling blocks are; and, in fact, if it's the ministry itself that is blocking them.

I think there is quite a bit going on. It will be a while before we can give any statistical results which are going to be impressive; but I think we have got a good ground work going.

Mr. Cassidy: I don't want to attack you, as a civil servant, as I might attack the minister, but could I make a couple of suggestions? One is that it is all too prevalent that you set some-

body up and give them the job—for a while they even have an office on the same floor as the deputy minister—and that takes care of the problem. That doesn't really take care of the problem. It has to be internalized. The minister is obviously the chief problem here, but then the deputy and the rest of the staff as well have got to be conscious of it and not just say, "Well, Jean MacDonald and Karen Klinger are the people responsible."

The second practical kind of thing is this. If the assessment courses are available at Belleville, Cornwall, London and Sudbury, then you are missing a large pool of potential people in the Toronto area who could be capable assessors, be they male or female. And it seems a bit silly that there isn't at least one of the community colleges, somewhere in the Metro Toronto area, offering the assessment course. I am wondering whether some negotiation couldn't go forward with the Ministry of Colleges and Universities on that line.

Mr. Gillis: Yes, there was one. Seneca ran it for the first two years, and dropped it, because they couldn't get anybody to take it.

Mr. Cassidy: Yet you are short of assessors, is that right?

Mr. Gillis: Not any longer. We have sufficient now. We were short in those years.

An hon. member: That couldn't be correct.

Mr. Chairman: Mr. Laughren asked a question.

Interjection by an hon. member.

Mr. Chairman: Order, please.

Mr. Laughren: I might say, Mr. Chairman, I am really surprised at that last remark. I taught in the assessment programme at Cambrian College in Sudbury. We actually had to plead with the ministry to continue to support the programme. As far as the trained seals in the Tory back bench are concerned, let me tell you something—

Mr. Carruthers: What do you mean, "trained seals"?

Interjections by hon. members.

Mr. Chairman: Order, please.

Mr. Laughren: Let me tell you something. Having a woman as a member of the caucus does not solve the problem.

Mr. Carruthers: Retract that statement.

Mr. Laughren: The Provincial Secretary for Social Development (Mrs. Birch) is a millstone

around the neck of the women in Ontario, not an asset.

Interjections by hon. members.

Mr. Carruthers: How would you know?

Mr. Chairman: Order, please.

Mr. Carruthers: Take that back

Mr. Laughren: Look what she has done to the whole daycare system in Ontario.

Mr. Chairman: Mr. Laughren, do you have a question?

Mr. Laughren: Mr. Chairman, I was trying to be non-provocative.

Mr. Chairman: I appreciate that very much.

Interjections by hon. members.

Mr. Laughren: What was that?

Mr. Cassidy: He knows more about that issue in a day than Margaret Birch in a year.

Mr. Chairman: Mr. Laughren has the floor.

Mr. Laughren: I certainly have, Mr. Chairman. I would like some clarification from the head table, if that is the right term, as to why they don't have enough assessors, because I can remember the colleges pleading with this ministry to continue to offer support for the assessment programme. They pulled the rug from under the colleges.

Mr. Gillis: No, I don't think that is so.

Mr. Laughren: It certainly is.

Mr. Gillis: We had some difficulty in Sudbury with Cambrian.

Mr. Laughren: No, the difficulty was with the ministry, not with Cambrian.

Mr. Gillis: We had a meeting with them about six weeks ago, and they are having great difficulty attracting students into the course, men or women. The number of students in the course, I am reasonably sure, dropped from over 100 last year to fewer than 50 this year.

Mr. Laughren: Have you determined why?

Mr. Gillis: We have asked but they can't come up with an explanation. They make it attractive, they have administrative units set up to teach it, they have attracted special teachers to do it, and they really can't explain it.

Not only is there a dropoff in the opportunity of employment with us, because we have finally reached an area where we have sufficient

assessors, but the banking and the real estate institutions have dropped their interest as well. There used to be a great interest in the commercial world, by banks, real estate firms, and what-have-you. That has dropped. Perhaps they are saturated as well. I don't know, but certainly they are having difficulty this year attracting students into that course.

Mr. Laughren: I suspected there would be problems when I left, but I didn't think they would be that serious, Mr. Chairman.

Mrs. Campbell: They need you.

Mr. Ruston: You'll be back there, don't worry!

Mr. Laughren: One other question, Mr. Chairman—

Mr. Ruston: You'll be back there before long.

Mr. Laughren: Is that a promise? You know, I couldn't even take a leave of absence when I left the college. I had to actually resign. It's the only level of education where you have to resign to run for provincial office.

Interjection by an hon. member.

Mr. Chairman: Question.

Mr. Laughren: You really are in a rush today, Mr. Chairman. I have never seen you like this before.

Mr. Chairman: I am not in a rush. We are just trying to keep to the agenda.

Mr. Laughren: I understand that.

Mr. Chairman: I know you appreciate my doing that.

Mr. Laughren: I certainly do, Mr. Chairman.

I wanted to know about the whole question of decentralization of the ministry. You have, I think, at the present time, a category called regional director, or regional assessor, who is above the person in the local office. You have a regional assessor, and then above that you have someone who is responsible for a region. Is that correct?

An hon. member: You have the wrong vote.

Mr. Good: Assessment is under vote 905.

An hon. member: That's a different vote.

Mr. Laughren: No, I am talking about personnel services and administration.

Mr. Cassidy: You are playing the game of the Tories.

Mr. Carruthers: It's a good one.

Mr. Chairman: Order, please. This is on a different vote. I'll find out which one, and we'll discuss it at that time.

Mr. Laughren: Oh, no, I have suffered from this before from chairmen in this committee system, whereby, when you get to the vote you think it's on, you are told it's on the vote in which you previously raised the question.

Mr. Chairman: No, it's 905. I will make a note that you wish to speak on 905.

Mr. Laughren: About decentralization of the ministry and assessment officers.

Hon. Mr. Meen: Vote 905(1) is administration, Mr. Chairman, and I think that would be the appropriate one under which to talk about the decentralization of the various regional offices, if the hon. member wants to talk about it then.

Mrs. Campbell: Wouldn't it come under planning?

Mr. Carruthers: Margaret, you don't know what we are planning.

Mr. Laughren: What are personnel services, if not how you allocate your people across the province?

Hon. Mr. Meen: The personnel branch under 902(4) that the member is speaking about, Mr. Chairman, is the centralized personnel service.

Mr. Laughren: Exactly, exactly.

Hon. Mr. Meen: It deals with the improvement in applications, it has nothing to do with the decentralization. That's a different aspect. That's the outboard aspect.

Mr. Laughren: Let's talk about the trend to centralization of the ministry then, Mr. Chairman, if that makes you feel any better.

Mr. Chairman: Mr. Laughren, I don't know that that's in this vote—

Mr. Laughren: Could I ask the minister this question then, Mr. Chairman? In terms of the administrative services of the ministry, are the regional directors located in the region for which they are responsible or in Toronto?

Hon. Mr. Meen: The regional directors are out in the various regional offices.

Mr. Crosbie: Regional directors are in the regions; they are regional assessment commissioners.

Mr. Laughren: What's the position above that?

Mr. Gillis: Area director.

Mr. Laughren: Where are the area directors located?

Mr. Gillis: In Toronto.

Mr. Laughren: I see. How many areas are there in the province?

Mr. Gillis: Four.

Mr. Laughren: What are the names of those areas?

Mr. Gillis: The areas are northern Ontario, western Ontario, central Ontario and eastern Ontario.

Mr. Laughren: And were those area directors not at one time located in the area?

Mr. Gillis: Yes, they were.

Mr. Laughren: Why were they centralized in Toronto?

Mr. Gillis: There are several reasons why they were centralized in Toronto. Perhaps the most important reason which made the move necessary was the remoteness and the travel difficulties in getting to and from head office.

Mr. Laughren: Mr. Chairman, I remember when this happened; I think it was about two years ago, although I'm not sure of the exact date, I could be wrong on that. I remember thinking at the time that here we have a situation in Ontario, which is a large province, where people who are classified as area directors want to be in touch with the area for which they are responsible, and they should be in that area so that they are meeting continually with people; if they have to come to Toronto for the occasional meeting, then so be it. I keep expecting the Treasurer to tell Don Collins, the regional chairman of Sudbury, to post himself here in Toronto, because he's here half the time.

Nevertheless, surely that ministry does concede the fact that if he is responsible for a certain regional area, he should be stationed in that area. I don't understand why, other than travel—and surely in this day and age, travel from—where was the area director from northern Ontario located?

Mr. Gillis: He was located in Sudbury.

Mr. Laughren: It's a 50-minute flight from Sudbury to Toronto.

Mr. Gillis: That's right, but it is much more difficult for him to get from Sudbury to Thunder Bay than it is from Toronto to Thunder Bay, that was his problem.

Mr. Laughren: Not at all. There is now a direct flight from Sudbury to Thunder Bay, and I don't know why you don't reverse that transfer.

Mr. Gillis: There wasn't when he moved to Toronto.

Mr. Laughren: How often does he have to go to Thunder Bay?

Mr. Gillis: I would say about six, seven or eight times a year—and to Sault Ste. Marie and Timmins.

Mr. Laughren: There are direct flights to the Soo from Sudbury.

Mr. Carruthers: Oh?

Mr. Laughren: There are direct flights to a lot of places—you know, you can't beat your chest about providing norOntair services to various communities in northern Ontario and, in the next breath you take, make excuses for centralizing across the province because there is no transportation to communities in the north. You can't have it both ways.

Mr. Cassidy: Perhaps I could break in and ask the director, where was the area director for eastern Ontario located?

Mr. Gillis: In Ottawa.

Mr. Cassidy: Why was he brought to Toronto?

Mr. Gillis: For about the same reason—several reasons, one of them being that he was sick. How do you get faster to Pembroke, Deep River, Hawkesbury or Cornwall from Toronto than you do from Ottawa? Can you explain that?

Mr. Laughren: Well, given the—

Mr. Cassidy: Wait a minute. Surely you appoint somebody to act in his stead if he is sick. How do you get faster to Pembroke, Deep River, Hawkesbury or Cornwall from Toronto than you do from Ottawa? Can you explain that?

Mr. Gillis: I don't think it takes very much longer to go from Toronto to Pembroke as it does from Ottawa.

Mr. Cassidy: You have to go to Ottawa first; then you have to get into a car and go from there.

Mr. Gillis: No, you can go directly from Toronto to Pembroke by air or by car.

Mr. Cassidy: By air on a flight which leaves at 5 o'clock in the evening, sure. It is really unreal to devise excuses and say that the guy has to go to Thunder Bay eight times a year. Therefore, to go to Thunder Bay from Sudbury you get on a plane at Sudbury and you get down to Toronto airport, you get on another plane and you get to Thunder Bay. And the total trip time from your home to Thunder Bay is about 2½ hours or 2¾ hours, as opposed to maybe two hours from your home to Thunder Bay if you are living in Toronto.

Mr. Gillis: And considerably more expensive.

Mr. Cassidy: What?

Mr. Laughren: Not so. Not so. You are overly defensive.

Mr. Ruston: Mr. Chairman, on a point of order, I wonder if I might interrupt here. I was interested in vote 903 and we have gone to 905. How did we get over to 905?

Hon. Mr. Meen: It is a good question.

Mr. Chairman: Administration and planning seems to be the proper place. That's item 1 of vote 902.

Mr. Ruston: The chief assessor apparently is the one who is answering all the questions, so we must be in 905. Let's get the votes in rotation.

Mr. Laughren: Just a minute, Mr. Chairman—

Mr. Chairman: I have been trying to do that. Mr. Laughren, you have another question on 902, item 1, have you?

Mrs. Campbell: Accounting, of course, is in planning.

Mr. Laughren: On that point, does the member for the Liberal Party make rules for the Chair? I am surprised at that decision.

Mr. Ruston: It is the proper procedure for handling the estimates.

Mr. Cassidy: The Liberal Party is now hoping for a coalition. That's why they are lining up with the enemy.

Mr. Chairman: I am trying to keep things in order.

Mr. Laughren: Mr. Chairman, I pursued this point because the minister indicated that vote 902 was concerned with centralization versus

decentralization, which is exactly what I am talking about. I think I am right in order.

If I might ask a further question, Mr. Chairman, in view of the fact that most of those problems concerning transportation in northern Ontario—or at least some of them anyway—have been ameliorated, will the minister give serious consideration to getting those area directors back out into the areas they represent?

Hon. Mr. Meen: No, Mr. Chairman, I don't think so. The major functions they are performing are functions of co-ordination among the various regional offices which they administer and they can do it quite comfortably from here. They are moved here and the infrequent occasions when they have to visit any of those regional offices can be quite easily taken care of from here. I don't think I would contemplate moving them back at this stage.

Mr. Laughren: You don't see that there is some justification for people—

Hon. Mr. Meen: No, the regional offices themselves handle things, I think, well enough at the scene.

Mr. Laughren: But if the visits are that infrequent, why not have them in the area for which they are responsible?

Hon. Mr. Meen: They are now here. You would have us uproot them again.

Mr. Laughren: It is a contradiction. Pardon?

Hon. Mr. Meen: You would have us uproot them.

Mr. Laughren: I certainly would. You are quite right. I would have you re-uproot them and put them back in the areas for which they are supposed to be responsible. I think you are doing a disservice to western, eastern and northern Ontario. I am sure you are not doing a disservice to central Ontario.

Mr. Chairman: Any further questions on item 3 of vote 902? Carried.

Item 4, personnel services? Carried.

Hon. Mr. Meen: That's what we have been talking about.

Vote 902 agreed to.

Mr. Chairman: Okay, we go over to the next page then. Vote 903, item 1, administration. Mr. Ruston.

On vote 903:

Mr. Ruston: I have some points to bring up regarding the administration of the tax collec-

tion and, of course, some go back to matters that were raised in the House in November of 1974 with regard to diesel fuel tax. I am not just interested in that alone, but I am concerned about your whole structure of collecting taxes.

It concerns me considerably with regard to one item, with regard to the Quinn Truck Lines in the St. Catharines and Niagara Falls area, that in June of 1973 you laid a judgement against them for \$77,561. On Oct. 23, 1974, another one was laid for \$118,000. The thing that concerns me with this is how can we go on so long and have this amount of money accumulated?

I had a case not too long ago—a year or maybe a couple of years ago—where some person in Essex county had sent in his gasoline tax four days late for the month. It was supposed to be in on the 25th and I believe it got in on the 30th and he got a penalty of \$180. When I see how long this went on, I was wondering what your method of collection is and how quick you are to respond to overdue collections. In this case, it got so large, I am surprised you didn't have some method of stepping in much quicker.

Hon. Mr. Meen: Mr. Chairman, there are some things I am free to talk about, I guess, at this stage with this particular case. I think you have to recognize that and I'll discuss it as long as you wish, this whole practice we follow with collections. I don't think I can go into any particulars on anything that isn't of a public nature already with respect to Quinn Truck Lines, Quinn Enterprises or Quinn itself.

The judgements the hon. member is speaking of were actually warrants, and they were lodged with respect to property out of which Quinn Enterprises was operating. When somebody tells you: "I owe you the money, the cheque is in the mail"; you're not about to close him down. You wait; you say all right, the cheque is in the mail. And frequently a cheque arrives in the mail, and then it takes a while before it is processed. I think any people who have practised law would know it isn't every cheque you get into your office that turns out to be good. Occasionally, you wind up with a rubber cheque.

I'm not saying this happened with Mr. Quinn, I'm just saying this is the kind of thing that happens and there has to be built into the system at least some measure of flexibility. You wouldn't go out and close down an operator who was hiring—memory fails me at this point—I believe it's around 40, I've heard figures as high as 60 and 70 employees, running a motel,

a restaurant, and a service centre. Generally there are a lot of people directly and indirectly influenced and affected by that operation. So you just don't go in and close them down like the hard-nosed revenue collector who is going to collect the last dollar.

Mr. Laughren: We know whose interest it is in.

Hon. Mr. Meen: The remedies under the Act for collection of the accounts are reasonably effective. When in this instance the accounts still went unpaid, we took a mortgage, which is public knowledge as well, for some \$113,000. It was not only on his business property but on other property he held as well, some 90-odd additional acres which could not be the subject of the warrants as they weren't part of the business operation.

Mr. Breithaupt: So that was given voluntarily.

Hon. Mr. Meen: That was given in consideration of our not closing him down and his promising to make the payments within a few months or even sooner. The mortgage then was on some 90 acres plus the 10 acre parcel the business is on; I think the total is 97 acres isn't it? Correct me if I'm mistaken.

Mr. Weiers: It is 90 plus 10.

Mr. Breithaupt: But this security is not a first mortgage.

Hon. Mr. Meen: No, as I indicated in earlier questioning on this, we really took it for what it was worth. Again, as lawyers who have handled collection work will know, you're not taking a security for money you're advancing and you don't go out and make your searches and determine the status of the title. It's there; you have certain representations made to you as to the amount and you take it for what it is worth. You put the mortgage on and do your searches after the fact so to speak.

In this case, I've looked into the practice that was followed and it appeared to be reasonable, given the circumstances and the alternatives of closing him down. We don't know yet, of course, at what price these properties will be disposed of. Clarkson Gordon are operating the business as receivers now, and have been since February.

Mr. Breithaupt: Have any payments come in?

Hon. Mr. Meen: I don't believe—I'm being given the nod yes, the deputy is nodding yes.

Mr. Crosbie: One of the points in keeping the business operating was that there was tax revenue coming in from it; and of course, there were sales going on all the time.

Hon. Mr. Meen: I think the member meant revenue by payments on account of outstanding liability.

Mr. Crosbie: No, nothing. There were some small payments but no significant large payments to reduce the outstanding liability.

Mr. Breithaupt: What are the prospects for that reduction? What do you expect?

Mr. Crosbie: Very good.

Hon. Mr. Meen: We think that virtually the total amount—if not the total amount, very close to it—will be recovered.

Mr. Breithaupt: Over what period of time?

Hon. Mr. Meen: I don't know. We don't know because it will depend on the sales terms of the property.

Mr. Crosbie: Both the properties are up for sale right now.

Mr. Ruston: Mr. Chairman, you said that these were warrants. Did you not go, in June, 1973, to the Ontario Supreme Court to obtain judgement?

Hon. Mr. Meen: No. I think the warrants have the effect of a writ of execution issued out of the Supreme Court.

Mr. Ruston: You are right. I understand that a warrant can be issued and you have first claim on finances.

Hon. Mr. Meen: It can't have priority over existing, genuine, bona fide encumbrances.

Mr. Ruston: I was wondering—was this all for the one fuel, diesel; or would it be for other things? How about sales tax of other types?

Hon. Mr. Meen: No, I don't believe it applies to sales tax.

Mr. Crosbie: Motor vehicle fuel tax.

Hon. Mr. Meen: It's motor vehicle fuel tax.

Mr. Ruston: It's strictly a motor vehicle fuel tax?

Hon. Mr. Meen: Right.

Mr. Cassidy: How severely does this differ from your normal practice? Can you or your deputy cite other instances, without neces-

sarily giving names, in which you have given similar treatment?

Hon. Mr. Meen: I was told that we had. Yet I understand subsequently there haven't been any cases under this Act. Am I correct on that?

Mr. Weiers: When we've taken first mortgage?

Hon. Mr. Meen: Yes, taking mortgages; we have taken bonds. I have a list somewhere—I don't know whether it is in the material with me.

Mr. Crosbie: The taking of security is a common practice. In this particular case, taking the mortgage for the motor vehicle fuel tax was a single incident.

Mr. Cassidy: The taking of security in the case of arrears is common, is that right?

Mr. Crosbie: Yes.

Hon. Mr. Meen: It is not uncommon.

Mr. Cassidy: Mr. Ruston mentioned the arrears and then a fine. Was there a fine levied against Quinn for non-payment or for failure to pay on time?

Mr. Crosbie: There is a nine per cent interest accumulating on the outstanding account.

Mr. Cassidy: Right.

Hon. Mr. Meen: I was asked in the House about whether I had considered the application of a fine and I said I hadn't. The real point is that we are anxious to get the major money. It is not a matter of a fine so much as collecting the outstanding balance together with interest.

Mr. Cassidy: What are the provisions of the Act as regards a penalty? What kind of penalty does a vendor incur if he is slow in paying his sales tax obligations?

Hon. Mr. Meen: It is simply the interest that is payable. I don't know whether or not there are other provisions which we invoke—unless, of course, he has been guilty of fraud or other breaches of the Act.

For example, we have had 172 bank letters of credit, bank guarantees, certificates of deposit and cash deposits; a total of 32 mortgages on real property or chattels; 16 bonds and shares hypothecated; 944 sureties, personal guarantees and promissory notes; some 56 trust accounts set up as security.

Mr. Good: Securing those mortgages has been on the basis of preventing closing down?

Hon. Mr. Meen: Yes, or other action taken; presumably that would be the threat.

Mr. Chairman: Any further questions?

Mrs. Campbell: Yes.

Mr. Chairman: Mrs. Campbell; then Mr. Cassidy.

Mrs. Campbell: It isn't related to this particular item. I don't want to close anybody out who is dealing with the—

Mr. Chairman: Corporations tax.

Mrs. Campbell:—gasoline tax, but I am interested in the administration as it relates to the retail sales tax. I think all of us have received a letter—

Mr. Chairman: Excuse me, Mrs. Campbell, that is the last item.

Mrs. Campbell: Yes, but it has to do with administration, Mr. Chairman, because the complaints in this letter—I am sorry I wasn't aware this was coming on or I would have brought it with me—relate to the differences in different offices in advising about the tax payable. Basically, the involvement was taxes which would be payable through municipalities or to hospitals. I would like to know how there can be a difference of opinion between various offices which would cause different advice to be given. The letter, as I recall it—

Hon. Mr. Meen: You don't have it with you?

Mrs. Campbell: No. I have it downstairs and I shall bring it. I believe it was written to the Treasurer on the basis they were also anxious to have provided a letter of intent to enable these institutions to prepare their cases for a refund on this basis. You have two aspects, one of which is in Treasury on a policy decision.

The Treasurer says there will be no letter of intent, there will be a statute of limitation, and there will be no relief. But it comes back to what advice was given, which I think is in your ministry, as I understand it. Is that correct?

Hon. Mr. Meen: Normally, yes. If they have gone to the local retail sales tax office and sought some advice, they may have received bad advice—I am not saying they did, because I don't have this as first-hand knowledge.

Mrs. Campbell: I'll get the letter over the dinner hour.

Hon. Mr. Meen: I think the Treasurer's position on this is clear enough.

Mr. Breithaupt: Perhaps Mr. Chairman, we could agree to proceed in the vote and not preclude Mrs. Campbell from raising that point at 8 o'clock, so that she would be protected on that.

Mrs. Campbell: I'll be delighted to bring in the letter.

Mr. Chairman: Very good.

Hon. Mr. Meen: We could deal with that more specifically under retail sales tax.

Mr. Chairman: Could we leave that to item 5 then?

Mrs. Campbell: I am perfectly satisfied, though I felt it was administration.

Mr. Chairman: Shall item 1, administration, carry? Carried.

Anything under corporation tax and other taxes? Mr. Cassidy.

Mr. Cassidy: Can the minister say how much is outstanding in deferred corporate profits that have not been taxed by Ontario at this time; and what was the cost to Ontario in the latest fiscal year of deferred profits that were not taxed?

Hon. Mr. Meen: I have no idea on either of those, but perhaps Mr. Weiers could give us some figures.

Mr. Weiers: Those are not deferred profits under the Act.

Mr. Cassidy: They are deferred income; isn't that right?

Mr. Weiers: It may be. The Income Tax Act and the Corporations Tax Act permit certain capital cost allowances to be taken. These capital cost allowances may differ from the depreciation taken by a corporation, but in terms of the income tax law that doesn't mean the tax is deferred. That is a term that is used by accountants in preparing financial statements for the clients for whom they work.

It is a means of spreading over a period of years, the tax incidence resulting from the difference between what is permitted under the Income Tax Act or Corporations Tax Act and what they normally do in preparing their financial statements and claiming depreciation.

Mr. Cassidy: You must have some calculation, though, of what that difference is.

Mr. Weiers: No. What these figures are, as such, doesn't mean anything to a tax department.

Mr. Cassidy: Don't you report on these things to the people who make policy—I know it is not the minister—

Mr. Weiers: They are insignificant.

Mr. Cassidy:—but don't you say: "Look, here is \$500 billion or \$1 billion worth of deferred income which we haven't taxed"? You probably don't want to tax it, being this kind of an administration, but at least you ought to know about it.

Mr. Weiers: That's the purpose of the capital allowance. That is the whole purpose of the thing.

Mr. Cassidy: What's that? To increase non-taxed profits.

Mr. Weiers: That's right. They can claim capital cost allowance in calculating their taxable income and it is only the taxable income figure, of course, that is subject to tax. Whatever profits are not taxed because of that are part of the incentive that is given under the Income Tax Act and Corporations Tax Act, and there is no record kept of this.

Mr. Cassidy: Could you give me an estimate then of the non-taxable income accruing to corporations in the most recent fiscal year?

Mr. Weiers: No, there are no records of that nature.

Mr. Good: On that point, where does Ontario in fact stand on the recapture of capital cost allowance? When there is a recapture it can be spread now through an annuity, rather than an individual accepting payment as a lump sum. Where does the provincial tax effectively recapture on capital costs allowance—

Mr. Weiers: In corporation tax, corporations, under the Corporations Tax Act, can't average.

Mr. Good: No, but an individual can.

Mr. Weiers: An individual can, yes.

Mr. Good: The provincial individual tax would be handled in the same manner as the federal then?

Mr. Weiers: That's right, yes.

Mr. Good: Any recapture can be spread into an annuity by the taxpayer?

Mr. Weiers: Yes, it comes under the general averaging provisions.

Mr. Laughren: How would you know whether or not to recommend to the policy-setting ministry whether an increase or de-

crease or the status quo is warranted? How do you know that, when you don't know what revenue is being allowed or written off because of this allowance?

How do you know this? How do you know it shouldn't be doubled? How do you know it shouldn't be halved?

Mr. Weiers: That's part of the responsibility of the taxation fiscal policy branch of Treasury and Economics.

Mr. Laughren: But if they haven't got the raw data it becomes very difficult to them.

An hon. member: How would they know?

Mr. Cassidy: For example, suppose they are thinking of accelerating depreciation? How do they know whether or not to do so? They have no records from you.

Mr. Weiers: We do have the financial statements of all corporations and we do have their separate tax calculations; this information is available to us and to TIEGA and their analysts.

Mr. Laughren: But you don't total them. What good is it if it is available and you don't use it?

Mr. Weiers: We don't total it; not in Revenue.

Mr. Laughren: Who else would total it? I am sure that Treasury and Economics, as well as Revenue, is responsible for much of the taxation. Only this ministry would accumulate those kind of statistics, would they not?

I realize it is not you who sets this policy but I find it disturbing.

Mr. Weiers: I am not quite sure what you are driving at or what your question is.

Hon. Mr. Meen: Treasury and Economics is the one that would take what they would consider to be a typical company; they could get the precise figures from us on that company and they could work out what the difference would be if they made different capital cost allowances and so on. Then they come up with their policies.

Mr. Laughren: So you have available to you all the capital cost allowances claimed by the various corporations in the Province of Ontario, right?

Hon. Mr. Meen: On an individual basis.

Mr. Laughren: What you haven't done is totalled them.

Hon. Mr. Meen: That's right. Now presumably it is Treasury and Economics' economists who analyse these figures and put them into their computer hoppers. They come out with an analysis of just what the result would be on a broad picture if they were to do this across the board. They develop the policy which we then implement in the statutes.

Mr. Laughren: I would have thought they would have said to you: "Look, would you add up all those figures so we could see whether or not there is a source of revenue there; or whether or not it is too heavy or whatever?" They wouldn't be likely to say it is too heavy, but nevertheless, under a different administration they might.

Hon. Mr. Meen: Not necessarily, not from the screams of anguish we have heard lately.

Mr. Cassidy: Those screams come all the time.

Mr. Weiers: There are figures compiled on a test basis—not a test basis, on a sample basis. These are blown up by various statistical methods. We do not use 130,000 corporations' income tax returns to compile these figures. It is 10 per cent or 15 per cent perhaps.

Mr. Cassidy: Based on that sample you could give the answers to my questions, is that right?

Would you like to do that this evening?

Hon. Mr. Meen: No.

Mr. Cassidy: Well, it is an interesting question. How much tax—

Hon. Mr. Meen: What makes you say it is?

Mr. Cassidy: —have corporations evaded in the province, quite legally, because of Ontario law—

Hon. Mr. Meen: No, it is not evasion.

Mr. Cassidy: —because of these depreciations in capital cost divisions?

Mr. Good: It is not evasion. It is provided by law.

Mr. Cassidy: It's avoided, I think.

Mr. Laughren: Why can't you total it though?

Mr. Cassidy: Yes, you have the means of giving us the information, is that right?

Mr. Weiers: No, we haven't got it; these require special computer programmes, key

punching of information which we have readily available.

Mr. Cassidy: Mr. Minister, I would like to ask: Is the information available or isn't it available?

Hon. Mr. Meen: I am saying it is not available.

Mr. Cassidy: Your feeling is that information like this should not be available to the public of Ontario, is that right?

Hon. Mr. Meen: I would want to leave that to the Treasurer, and the Minister of Economics, to determine.

Mr. Chairman: Mrs. Campbell has a question.

Mr. Laughren: Mr. Chairman, just a minute. This gentleman said they had the information available by using a sampling method, is that correct?

Mr. Weiers: Yes. We have some of that information available.

Mr. Laughren: The information really is available?

Hon. Mr. Meen: The basic information on any particular company would be, but you've got to use sampling techniques and computer programmes to analyse those sampling techniques to determine what the overall effect would be in terms of a differential in cost from one method to another.

Mr. Laughren: I find the suppression of information by this government discouraging. That's a legitimate request for information, and yet you're stone-walling us. Why? If it's available, we should have access to the facts. It doesn't make sense.

Hon. Mr. Meen: Frankly, it doesn't make sense to me that you would call it stone-walling. It's not. It's just not the kind of statistical information one can pull off a shelf. It just isn't there.

Mr. Laughren: Can't you make it available to us?

Mr. Cassidy: Mr. Chairman, a specific piece of information may or may not be easily available. It represents an attitude on the part of the ministry, and the government as a whole, about providing information, whether it's to MPPs or to the public at large.

The needs of the public at large are probably much more important than the needs of MPPs.

We're just a few people in the Province of Ontario, but none of this stuff becomes available. The deputy talks about plans, programmes and budgeting \$100,000 or \$200,000 to spend on preparing it. Information goes to the eyes of the minister and to Management Board, and stops right there. This is the first time this ministry has come before a committee, in my recollection.

Hon. Mr. Meen: I was here last year.

Mr. Cassidy: Was it last year? Okay.

Hon. Mr. Meen: Maybe you weren't here.

Mr. Cassidy: It doesn't seem to make any difference if the committee is down here or upstairs where the minister alone is answering.

Mr. Chairman: Mrs. Campbell has a question.

Mrs. Campbell: I wanted to know how closely you work with the federal government in audits in the areas of corporation and business taxes. If you were told you have a real mess in your ministry; and in fact that a great deal of tax was not collected by reason of lack of co-operation, how would you react?

Hon. Mr. Meen: We do have co-operation, of course. If I were told that, I'd be shocked.

Mrs. Campbell: I was shocked when I heard it. I'd like to know what your procedures are in this area.

Hon. Mr. Meen: I think, perhaps, you should ask Mr. Weiers, the comptroller.

Mr. Weiers: You're asking what co-operation exists?

Mrs. Campbell: Yes. To what extent do you take advantage of information they have? To what extent do you go on your own? To what extent do you not do a very complete audit?

Mr. Weiers: Are you talking about any particular tax or is it corporation tax?

Mrs. Campbell: I'm talking about the corporation tax.

Mr. Weiers: Corporation tax?

Mrs. Campbell: And taxes related thereto, which, I take it, is what we're talking about.

Mr. Weiers: Capital tax and insurance premiums tax, in which of course the federal has no interest in whatever, I presume it's corporate income tax you're talking about.

There is a programme of exchange between the federal government and the Province of Ontario whereby results of audit information are exchanged on a daily basis. Both jurisdictions, obviously, cannot audit 100 per cent of the corporations. Those are done on a test and sampling basis, by means of computer selection. The audit results are communicated between the two provinces. This is under the provisions of the Income Tax Act and the Corporations Tax Act, which permits this type

of an agreement to exist. That goes on on a daily basis.

Mr. Chairman: Anything further on this?

Mrs. Campbell: Yes.

Mr. Chairman: All right. Shall we adjourn now, and return at 8 o'clock for this continuation of section 2?

It being 6 o'clock, p.m., the committee took recess.

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Ontario. Legislative Assembly

Legislature of Ontario Debates

ESTIMATES, MINISTRY OF REVENUE

Standing Miscellaneous Estimates Committee

Chairman: Mr. T. A. Wardle

OFFICIAL REPORT — DAILY EDITION

Fifth Session of the Twenty-Ninth Legislature

Tuesday, May 20, 1975

Evening Session

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

THE QUEEN'S PRINTER
PARLIAMENT BUILDINGS, TORONTO
1975

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Daily index of proceedings appears at the back of this issue. Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff (Phone: 965-2159).

LEGISLATIVE ASSEMBLY OF ONTARIO

TUESDAY, MAY 20, 1975

The committee resumed at 8:05 o'clock, p.m.

ESTIMATES, MINISTRY OF REVENUE (continued)

On vote 903:

Mr. Chairman: Mrs. Campbell has the floor.

Mrs. M. Campbell (St. George): Could I have from the ministry the experience they have had when they conduct an audit? What tests do they make against any sampling they may have or any other determination they may make? When they do an audit do they check back with the federal figures to ascertain whether they have been close or not in the facts they have used for purposes of tax?

Hon. A. K. Meen (Minister of Revenue): Mrs. Campbell, are you speaking in terms of corporation tax?

Mrs. Campbell: Yes.

Hon. Mr. Meen: We were talking about that before dinner, and Mr. Weiers indicated we have close co-operation with them. I think that he could elaborate on the methods that we use on our own checks as well as theirs.

Mrs. Campbell: I understand that the co-operation is available; it is whether it's used or not that is of interest to me. Since we do this kind of sampling, it would be interesting to discover when we do actual audits what percentage we might be out in ascertaining the tax position in any given group of corporations.

Hon. Mr. Meen: Mr. Weiers.

Mr. R. J. Weiers (Comptroller of Revenue): I gather from your questioning that you assume both Ontario and the federal people do the same audit and compare results.

Mrs. Campbell: No.

Mr. Weiers: You're not.

Mrs. Campbell: No, I'm not. I'm saying that as a result of your separate investigations your findings would be available for your own purposes.

Mr. Weiers: We don't audit the same ground that the federal people audit.

Hon. Mr. Meen: Perhaps you can elaborate on that somewhat, Mr. Weiers.

Mr. Weiers: Copies of assessments that are made are exchanged; and assessments are made on the basis of the assessments of the other jurisdictions.

Mrs. Campbell: That's exactly what I'm getting at. Then you do accept, in some cases, what the federal assessment is?

Mr. Weiers: Oh yes; we do.

Mrs. Campbell: I see.

Mr. Weiers: We don't second guess them as to whether or not they have interpreted the law correctly; the law is the same for both jurisdictions. The only difference is in the areas where the Corporation Tax Act differs in its provisions from the Income Tax Act.

Mrs. Campbell: If that's the case, where you use their assessment so faithfully, why wouldn't it save us money if you didn't have your own branch?

Mr. Weiers: Why would it save us money?

Mrs. Campbell: Why wouldn't it?

Mr. Weiers: If we dissolved the corporations tax branch?

Mrs. Campbell: I wouldn't dissolve it completely; but you have a fairly healthy figure in here for corporation taxes, salaries and wages; I just wonder, if they are that close—

Mr. Weiers: Well, the federal Income Tax Act doesn't include the capital tax that Ontario levies, which is \$100 million and some. Obviously we need a staff to handle the administration of this particular tax. The premiums tax, too, is one which is peculiar to our province and not to the federal government. That again is some \$30 million to \$40 million.

Mrs. Campbell: How many audits would you do in a year?

Mr. Weiers: We do a very large number of desk audits; and we have only a very small—

Mrs. Campbell: Desk audits?

Mr. Weiers: Yes. We have only a very small field staff in the corporation tax branch itself. This very small field staff is concerned with an audit programme directed to those areas where the Corporation Tax Act differs from the Income Tax Act to avoid duplication of effort.

Mrs. Campbell: What is your desk audit? What does it consist of?

Mr. Weiers: It is an examination of the tax returns, the financial statements and all other schedules which must be filed by the taxpayer, plus communication with the taxpayer by letter, by phone or by office visit if necessary.

Mrs. Campbell: Would you repeat when you do audits?

Mr. Weiers: When we do audits?

Mrs. Campbell: Yes. I don't mean desk audits, I mean actual audits of books.

Mr. Weiers: Field audits on site?

Mrs. Campbell: Field audits.

Mr. Weiers: Where we differ from the federal people in the provisions of the statutes; occasionally in areas where we are the same; and in selective areas where federal audit coverage hasn't reached. In the corporation tax branch there are 51 auditors, exclusive of supervisors. These are divided roughly one-third field audit to two-thirds desk audit.

Mrs. Campbell: For the whole of Ontario?

Mr. Weiers: Yes. The recovery for 1974-1975, which includes the co-operative programme with the federal government, is \$22.8 million. That, per auditor, is something like \$447,000 in recovery per year.

Mr. D. A. Crosbie (Deputy Minister): I think that's why we audit them.

Mr. Weiers: Yes.

Mrs. Campbell: You think so? I would have thought you'd notice all that. I would also have thought there would be more field auditors than there are if you are interested in ensuring the accuracy of corporate figures.

Hon. Mr. Meen: I think it is a matter, Mr. Chairman, of just how many are necessary to keep people on their toes. We have one-third of 51 doing the job now. I am not certain that doubling that one-third to two-thirds would double the recovery as a result of field audits.

It would be interesting to know what kind of additional recovery one would achieve.

I am not suggesting we have achieved saturation with our 51. Personally, I would like to have more, but it is a matter of economies in various quarters. In any event, with the 51 we are recovering something like \$447,000 per auditor.

Mrs. Campbell: I take it for a desk audit you use the forms which are submitted; you use the information from the federal government. When you vary, you do a field audit?

Hon. Mr. Meen: We may do our own spot field audit. I would think we might have occasion, even if we didn't vary, to think there might be some circumstances under which we would decide to go in and do an audit anyway.

Mrs. Campbell: Your recoveries are as a result of what? Are you saying this is a shortfall you have found as the result of an audit in the corporate tax yields?

Hon. Mr. Meen: No, I don't think we are saying we have achieved saturation. I don't think I am saying either that we need to go out and double the staff. I am saying that if I had my way I'd like to maybe add a few more.

Mrs. Campbell: Then it is safe to say, from your point of view, that we can be assured that as far as corporate taxes are concerned we are indeed collecting all that which it is incumbent upon us to collect.

Hon. Mr. Meen: I think I can say that I have reasonable confidence we are recovering a very substantial part of everything that is recoverable.

Mr. F. Young (Yorkview): Does this mean then that without the auditor there would be half a million, approximately, per auditor that you are losing?

Mrs. Campbell: That's right.

Hon. Mr. Meen: Yes.

Mr. Young: Because the corporations are withholding?

Hon. Mr. Meen: I am not sure that's fair either, Mr. Chairman, because there are certainly going to be lots of people, whether they were ever audited or not, who would still file an honest return in every respect.

An hon. member: That's right.

Hon. Mr. Meen: I think it's fair to say, though, that there are some who are kept honest because they know there is a likelihood

they'll be audited. Indeed they do wind up being audited once in a while.

Mr. Young: Some were caught to the tune of half a million per audit.

Hon. Mr. Meen: Yes, that's the way it averages out.

Mr. Chairman: Mr. Good.

Mr. Young: Per auditor, rather.

Hon. Mr. Meen: Per year.

Mr. Weiers: That's including the co-operative programme of the federal government.

Mr. Chairman: Mr. Good has a question.

Mr. E. R. Good (Waterloo North): This is the Ontario corporation tax you are arguing about.

Hon. Mr. Meen: Yes.

Mr. Good: On a federally filed return?

Hon. Mr. Meen: No, on our own.

Mr. Good: Oh, on your own.

Hon. Mr. Meen: Provincial; Ontario.

Mr. Good: Oh, I understand now.

Hon. Mr. Meen: What we are talking about is the co-operation with the federal government where they file a federal return and they also file a provincial return, and we have an annual exchange of information.

Mr. Good: How do you handle corporations that are chartered extra-provincially or off-shore, chartered corporations doing business in Ontario? How do you get them to file a provincial return? How is that handled?

Mr. Weiers: There is a statutory lien on their property here in Ontario for one thing. They cannot, subject to the lien, deal in their property unless they have applied the Corporations Tax Act, filed their returns and paid their tax. That's one very good deterrent which is to our advantage in this type of collecting.

Mr. Good: What checks do you have on a Quebec or Manitoba-incorporated company coming in and doing business in Ontario. How do you check they are filing an Ontario return? Say they have no property here, but are just coming in, doing business, writing orders. Are they taxed then?

Mr. Weiers: They have to have an extra-provincial licence to do so. We have a pro-

gramme that is computer-controlled through the company's branch of the Ministry of Consumer and Commercial Relations. We use the same tax roll as their company's branch roll. So for corporations incorporated in Ontario and for people doing business here, those licensed to do business, we automatically get this information from CCR.

Mr. Good: Would a manufacturer, say from Quebec, who has salesmen coming into Ontario doing business be liable for Ontario Corporation tax?

Mr. Weiers: No, he must have permanent establishment in Ontario to be liable. The mere presence of the salesman doesn't mean there is a permanent establishment in Ontario.

Mr. Good: Oh, this is what I mean. In other words, an outside-the-province corporation doing business here is only liable to tax if he has a permanent establishment here.

Mr. Weiers: A permanent establishment here, yes; as defined in the Act.

Mr. Good: Is that right?

Mr. Weiers: Yes, that's right. It is the same for all provinces.

Mr. Good: Oh, is it? Oh I see, yes.

Mr. Weiers: That's right.

Mr. Good: A few other things here: How do you share in the provincial portion of the federal capital gains tax, or is this a relevant question?

Hon. Mr. Meen: I am sorry; how do we share in the provincial?

Mr. Good: How does the province share in the federal capital gains tax?

Hon. Mr. Meen: That is under the Federal Income Tax Act; and it is calculated before we take our 30.5 per cent, is it not?

Mr. Weiers: It is included in the taxable income.

Hon. Mr. Meen: Right, to which our 30.5 per cent applies. We get 30.5 per cent of the federal capital gains.

Mr. Good: Oh, you get 30.5 per cent of that. Now this maybe applies more to federal—

Hon. Mr. Meen: That's not corporations.

Mr. Good: No, no. Well, it could be a corporations tax.

Mr. Weiers: Well, for corporations tax, of course, capital gains under the Corporations Tax Act are the same as any other income.

Hon. Mr. Meen: Separate, yes.

Mr. Good: Another matter that was put to me by an auditor who felt the new forms relating to capital tax—

Mr. Weiers: The small businesses tax.

Mr. Good: —are very much more complicated than they need be to arrive at the tax payable. Do you have any comments as to why they should be? Have you had this complaint from other auditors?

Hon. Mr. Meen: We should be hiring him to simplify it, I guess.

Mr. Weiers: Yes, we've had some comments on the form. It's not to determine tax payable though; it's to determine the tax credit under the small business tax incentive provision that's in the Corporations Tax Act.

The policy, when it was announced by the Treasurer (Mr. McKeough), was based on a growth principle; a business had to grow. This was the theory on which the credit was going to be given to small businesses; unlike the federal small business incentive.

It's different. That meant you have to measure its growth in terms of its financial investment in the corporation, based on an increase in inventories, fixed assets, and this type of thing. That's what makes the form complicated. The corporations tax branch has been looking at the form because we've had some queries about it. It has been changed to simplify it; it's in draft form.

Mr. Good: Let's face it, the more complicated your form is the more it costs business to process.

Mr. Weiers: Oh yes, that's quite true.

Mr. Good: So there was some validity in his claim that it was unduly complicated.

Mr. Weiers: Part of the complication arose from the date on which the credit cut in. Most of the corporations have fiscal year-ends that differ. In order to make the application of the tax credit equitable, a pro-rating had to be provided for so that everybody's growth was measured from the same day and their credit allowed from the same day. This pro-rating made the form, and the calculation in the first instance, a bit difficult.

Hon. Mr. Meen: When you first look at them you might wonder at the complexity of the

forms, but when you get down to it you find you can't make them much simpler. As I said, perhaps whimsically at the beginning, we should hire the fellow because maybe he can show us a more simple way to do it.

I've had discussions with the Institute of Chartered Accountants of Ontario, with Jerome Pollock, the president, and others who have volunteered to give use a hand gratis because it's in their interest as much as in ours—or if not more in their interest in any event it is in the interest of us all—to get these forms as simple as we can. We're getting good co-operation from them, but it isn't as simple as some people may think looking at the form and wondering why on earth there are all these various provisions. They're all there for a reason.

Mr. Good: That's the other point I wanted to get at. What possible reason could there be for all the duplication of information that your CT23 form requires: The total amount of Workmen's Compensation Board payments; unemployment insurance payments; the Canada Pension payments—all duplications of amounts that are available from government departments if you want them in a lump sum, or from financial statements. Why all this duplication of information required by a provincial corporate tax form?

Mr. Weiers: It's all part and parcel of a programme of financial data analysis that is carried on between the Ministry of Revenue and TEIGA on this test-sample basis, which is analysed for purposes of determining taxation policy.

Hon. Mr. Meen: Mr. Chairman, what Mr. Good is suggesting, I suspect, is that instead of asking the taxpayer to assemble this for us out of records he has conveniently at hand when he is preparing his return, we should have to go to the Workmen's Compensation Board or the Unemployment Insurance people and to all the others and assemble that information from all of those in order to prepare a composite return for the benefit of the taxpayer. Can you imagine the additional staff I'd require in order to be able to that?

Mr. Good: He's using the corporations auditor to assemble information which Mr. Weiers said is used for the projection of future policy in the area. You've got everybody else working for your ministry. That is what it really amounts to.

Hon. Mr. Meen: No, I'm looking at it the other way. We need that in order to assess an appropriate CT 23 when it's filed.

Mr. Good: You may or may not need it, you don't know. It's at the point now where anything you ask for has to be provided or else.

Hon. Mr. Meen: They can very conveniently provide it right out of their own records.

Mr. Good: The average small businessman is filled right up to here with the government wanting information and more information and all kinds of forms and administration. It's getting to the point now where the small corporation is spending a great deal of money on pretty sophisticated and expensive help to keep the business complying with government regulations, both federal and provincial. One is as bad as the other. I think maybe you're trying to outdo each other to see who can make his stuff more complicated and ask for more information.

Mr. J. R. Breithaupt (Kitchener): Whether the information is proved to be necessary or not.

Mr. Good: Yes, whether the information is proved to be necessary or not; that's the big question.

Mr. Chairman: Mr. Paterson has a question.

Mr. D. A. Paterson (Essex South): Mr. Chairman, could I ask the minister, in regard to the newly formed corporation of the province, the Ontario Lottery Corp.; is it, as such, subject to audit by this particular branch?

Hon. Mr. Meen: I haven't any idea, Mr. Chairman.

Mr. Paterson: You haven't?

Hon. Mr. Meen: Could I ask Mr. Weiers? Is the Ontario Lottery Corp. subject to audit in the normal course as all other corporations? Will we be doing an audit of them too?

Mr. Weiers: Is it a corporation with share capital?

Mr. Breithaupt: I would expect the Provincial Auditor would audit that directly if it's a Crown agency.

Hon. Mr. Meen: It's a Crown agency, I suppose.

Mr. Weiers: If it's a Crown agency it's not subject to audit by us.

Hon. Mr. Meen: Like Ontario Hydro.

Mr. Paterson: An area distributor who sets up a small corporation to handle these tickets would be subject to audit?

Hon. Mr. Meen: Yes. He'd be a private corporation, I would expect.

Mr. Paterson: I assume most of them are.

Hon. Mr. Meen: I would expect Eaton's is subject to audit.

Mr. Chairman: Mr. Good has a question.

Mr. Good: On this corporation tax and other taxes, in each case will you designate what these other taxes are as we go down the list? We come to the end and we find that land speculation tax is among other taxes.

Hon. Mr. Meen: I'll warn you ahead of time.

Mr. Good: I'm sure you will.

Mr. Chairman: That's a fair question.

Mr. Good: What are the other taxes?

Hon. Mr. Meen: What other taxes are under vote 903, item 2, Mr. Weiers?

Mr. Weiers: There's the capital tax and the premium tax; the provincial land tax and the Railway Fire Charge Act.

Mr. M. Cassidy (Ottawa Centre): What?

Hon. Mr. Meen: The Railway Fire Charge Act.

Mr. Cassidy: What is the revenue from that last one? The minister must answer.

Hon. Mr. Meen: I'm sorry, I haven't any idea what the revenue from the Railway Fire Charge Act was last year. However, if you'll let me just get my music—

Mr. Breithaupt: That wasn't even on the list of those that are under the item.

Hon. Mr. Meen: It's combined with the provincial land tax figure which in total is around \$2 million. I can't break it out for you.

Mr. F. Laughren (Nickel Belt): Naturally it would be combined.

Mrs. Campbell: Why would it be combined?

Mr. Weiers: It's so small.

Hon. Mr. Meen: It is miscellaneous.

Mrs. Campbell: When you say small, what's the figure; just about?

Mr. Breithaupt: Why do we bother collecting it if it's so small?

Mr. Cassidy: It's pretty important.

Mrs. Campbell: You have staff for it; you should have some idea of what it produces.

Hon. Mr. Meen: Half a million dollars or less, my staff tell me.

Mr. Breithaupt: How is that tax assessed?

Mr. Weiers: It's based on railway mileage, the trackage.

Mr. Breithaupt: Why is it assessed?

Hon. Mr. Meen: It's from the days when they used to use coal-burning locomotives, no doubt.

Mr. Weiers: And they started forest fires.

Mrs. Campbell: And everybody assumed the railroads were responsible.

Mr. Breithaupt: Perhaps that's one branch we could have a look at to see if it's still active.

Mr. Paterson: Is that applicable to the US railroads operating in Canada?

Mr. Weiers: Yes.

Mr. Cassidy: Do you collect the \$5 fine from people who don't have a ladder leading up to their chimney and don't have a bucket of sand at the bottom, according to the Municipal Act?

Mr. Weiers: No.

Mr. Cassidy: No? You're derelict.

Mr. Chairman: Do we have an answer?

Mr. Breithaupt: You have probably given them an idea.

Hon. Mr. Meen: We said we don't.

Mrs. Campbell: What's happened to this non-existent Act?

Mr. Weiers: The Railway Fire Charge Act? The corporations tax people look after it along with the provincial land tax.

Mr. Chairman: Mr. Good has a question.

Mr. Good: On the capital tax; you doubled it last year, didn't you?

Mr. Weiers: It went from one-tenth to one-fifth of one per cent.

Mr. Good: Okay. What effect does this have on the way people will be incorporating companies? Any, do you suppose?

Mr. Weiers: I don't know what you mean by the way in which they will be incorporating. Whether or not they will?

Hon. Mr. Meen: The manner in which they will be capitalized, I expect, is what Mr. Good is asking.

Mr. Good: That is what I mean, the manner in which they will be capitalized.

Mr. Weiers: No, I don't think so. The capital tax base is on the sum total of the equities, plus the debt financing. It doesn't matter which way they finance, it is the sum total.

Mr. Good: You have now brought into the fold all the loose ends that were available before as far as getting loans out at the time they collect—

Mr. Weiers: The shareholders' loans, yes.

Mr. Chairman: Any further questions on this?

Mr. Good: What was the extra revenue?

Hon. Mr. Meen: We collected \$88,950 under the Railway Fire Charge Act.

Mr. Breithaupt: What did it cost you to collect it?

Hon. Mr. Meen: Peanuts, no doubt.

Mr. Crosbie: There are 30 accounts.

Hon. Mr. Meen: It is all part of the corporations tax, I expect. The accounts are the railways.

Mr. Young: Mr. Chairman, in table C2 of the Ontario budget of 1975 we have corporation tax as income tax, capital and premium taxes. What is under that one, capital and premium taxes?

Mr. Weiers: That is the one we were just talking about.

Mr. Young: This is the one here.

Further down, under revenue, it says: "Other fees and licences 81; and royalties 26." Those would be in millions?

Mr. Weiers: It is not the Ministry of Revenue.

Mr. Young: That is all the Ministry of Natural Resources?

Mr. Weiers: Yes.

Mr. Young: The royalties and the other fees and licences? The licences might be the commercial—

Mr. Weiers: Stumpage fees; acreage fees.

Mr. Young: They don't come under these estimates at all?

Mr. Weiers: That's right.

Mr. Chairman: Any other questions on this particular item?

Mr. Cassidy: Mr. Chairman, where do the land transfer tax and the land speculation tax come? At the end of this vote or in the subsequent votes?

Hon. Mr. Meen: They would be under succession duty and other taxes, Mr. Chairman.

Mr. Chairman: Shall we carry item 2?

Item 3—gasoline and tobacco tax; any questions on this?

Mr. D. A. Evans (Simcoe Centre): Yes, Mr. Chairman, on the tobacco tax, I wonder why a businessman in Ontario doesn't receive remuneration for collecting the tobacco tax? In every other province in Canada they do receive remuneration, but in Ontario they don't.

Hon. Mr. Meen: The tobacco tax is collected in the same way as gasoline tax, Mr. Chairman. It is a centralized operation. It is paid by Imperial Tobacco and so on just as tax is paid by Esso and Texaco and what not. It is not collected by the individual merchant, whether he is selling tobacco or whether he is selling gasoline. It is collected from Imperial.

Mr. Evans: I am sorry, Mr. Chairman, I am talking about the wholesalers of tobacco who have to send in the tax. They have to collect the tax and send it in.

Hon. Mr. Meen: I agree. It represented a large amount of money—well, a substantial amount of money—for a very few large distributors; like Imperial Tobacco and so on to cite just one, and half a dozen or so oil companies. It was the Treasurer's decision at this time that the compensation to merchants would not be extended to any of those large operators. It would mean, if we put the same limit on it per return, only \$500 per year to them and it wouldn't feed back to the individual merchant at all. So the Treasurer, in his wisdom, decided he would not extend the compensation that far.

Mr. Evans: There are a lot of small wholesalers, too, you know. I'm not just talking about Imperial Tobacco; there are lots of small wholesalers who deliver to the local grocery store on the corner and around through the country. They have to collect the tax and send it in; and they get no remuneration whatsoever.

Hon. Mr. Meen: I know. All I can tell you is that it was discussed with the Treasurer and he

decided that the compensation would not be extended that far.

Mr. Good: The other side of that, as far as the gasoline companies are concerned, is that they collect the tax from the service station operator when they deliver the gas. It's cash on delivery, either by credit card or cash or certified cheque, and the oil companies then have that money to use, possibly for as long as six or seven weeks, before it has to be remitted. There are millions of dollars put up by the service station operator before he sells that gas and collects it from the customer. The distributor can hold that money until he has to remit it to the province. This is a great source of operating capital for these people in that they don't have to remit the tax for a considerable time.

Hon. Mr. Meen: Well, that would apply if it were the retailer who was handling it.

Mr. Good: Probably it depends on the method of doing business.

Hon. Mr. Meen: He'd have the money until he had to remit it.

Mr. Good: No, it depends on the method of doing business though.

Hon. Mr. Meen: On the 23rd of each month you must remit the tax collected from the previous month.

Mr. Good: But if the wholesale distributor of tobacco bills his customer and his terms are net 30 days, he gets his money in time to remit the tax payable.

The gas companies don't operate like that. When the gas companies deliver gasoline, they must have the certified cheque or cash or credit cards right there before they'll dump the gas.

Hon. Mr. Meen: Yes, but that is their method of operating, that's all.

Mr. Good: Sure, and in the meantime they've got all that gasoline tax which the service station operator has to pay on that gas, 19 cents a gallon; the six big oil companies have all that provincial money for up to six or seven weeks before they have to pay it over to you people.

Hon. Mr. Meen: We are certainly not going to pay them compensation for collecting it.

Mr. Good: No, I don't think you should. In fact, I think they should give the service station operator some credit for having paid the gasoline tax on delivery before he even sells it and collects from the customer; and they are using this as a great resource of operating capital.

Hon. Mr. Meen: There are all kinds of arrangements. Some of them prefill the tanks and then only bill you after that for the amount required to top up your tanks. So in effect you, the merchant, have a full tank of your manufacturer's gas.

Mr. Good: Yes, I can imagine how many of them do that.

Hon. Mr. Meen: That's running the other way; their gasoline is in your storage tanks.

Mr. Good: I've never heard of any of them doing that.

Mr. Chairman: Any further questions on gasoline and tobacco taxes?

Mr. Cassidy: One question, Mr. Chairman.

Mr. Chairman: Mr. Cassidy.

Mr. Cassidy: What is the current level of the cigarette tax in Ontario, and how does it compare with other jurisdictions across the country?

Mr. Good: It should be doubled.

Mr. Laughren: Is that Liberal policy?

Mr. Good: It is my policy.

Mr. Evans: He wouldn't care if he collected twice as much, as long as it gives the little businessman something.

Hon. Mr. Meen: Now what was the product you were asking about again, Mr. Cassidy?

Mr. Cassidy: Probably cigarettes are the easiest to compare.

Hon. Mr. Meen: All right.

Mr. Good: Or chewing tobacco.

Hon. Mr. Meen: Now what is it you would like to know? I've got a delightful looking table sitting out here in front of me.

Mr. Cassidy: That is terrific. What is the current level of the cigarette tax in the Province of Ontario, and how does that compare with other provinces in Canada?

Hon. Mr. Meen: All right, a pack of 20, 9.2 cents here in Ontario; Quebec, 8 cents; New Brunswick, 8 cents; Nova Scotia, 8 cents; PEI, 8 cents; Newfoundland—oh boy, they don't like smokers—20 cents; Manitoba, 12 cents; Saskatchewan 7.2; Alberta, 6.4; British Columbia, 6.4 cents.

I don't smoke; I guess I would like to go the Newfoundland at 20 cents.

Mr. Cassidy: Let me ask you this, Mr. Minister: Have your people done any research to determine how tax-sensitive cigarettes are?

Hon. Mr. Meen: No, not in Revenue. I don't know whether Treasury and Economics has done any study like that.

Mr. Cassidy: I see. What is the total revenue from tobacco taxes in the province?

Mr. Laughren: It's more than the sales tax.

Hon. Mr. Meen: Can you give me a page number on that? B30.

An hon. member: You should have that answer at your fingertips.

Mr. Cassidy: You know, if we had those books too, a lot of these questions could be eliminated.

Hon. Mr. Meen: \$101,449,981.

Mr. Cassidy: Is that all? As a member of the cabinet, Mr. Minister, have you ever examined the amount we spend in the province, in the course of a year, in dealing with tobacco-related health problems and other problems?

Hon. Mr. Meen: No, my responsibility is to collect the tax.

Mr. Cassidy: But as a member of the government and of the cabinet, have you looked at that?

Hon. Mr. Meen: No, I have said to you I have not. My responsibility is to collect the tax.

Mr. Laughren: Your responsibility goes beyond that.

Mr. Cassidy: I am actually surprised that the amount is that low. It seems to me that probably we don't even make, in tobacco tax, what it costs us to cure, or to try to cure, tobacco-related diseases, such as emphysema, lung cancer; absenteeism from work and that kind of thing.

I would just like you to carry back to your ministry the very serious suggestion that if that's all the revenue we get out of a total budget of about \$9 billion in the province, Ontario could well do without cigarette sales entirely, or without the cigarette tax revenue by raising the tax to a prohibitive level and simply persuading people to diminish or discontinue smoking completely in the province. In other words, a 50 per cent increase in the tax would be peanuts. How about a 25 cent per pack increase in the tax, taking it from nine cents to about 35 cents?

Mr. Chairman: Are you suggesting, Mr. Cassidy, the tax on cigarettes should be 25 cents a package?

Mr. Cassidy: I am suggesting it should be something like that, yes. I don't know what the right figure should be. In other countries the cost of cigarettes runs as high as \$1.25 or \$1.50 a pack; there is no particular reason why it should be where it stands right now.

Mr. Breithaupt: It might be interesting, Mr. Chairman, to inquire whether there is any knowledge in the Newfoundland situation, where the imposition of that tax at a rate of 20 cents might or might not have any effect on consumption.

Hon. Mr. Meen: I don't know. That, again, is another point.

Mr. Breithaupt: I would presume it is a very inelastic sort of thing.

Hon. Mr. Meen: I would think it would have some influence in the direction of reduced consumption.

Mr. Cassidy: I would doubt if it would have very much effect.

Hon. Mr. Meen: I am advised that the Ministry of Health receives the figures from us on our retail sales tax.

Mr. Laughren: I've got to know if Mr. Cassidy quit smoking. I'd like to know when he quit.

Mr. Cassidy: That's probably germane. I declare interest. I speak as a convert.

Hon. Mr. Meen: Conflict of interest, or otherwise? Do you smoke or don't you smoke?

Mr. Cassidy: No, I don't smoke.

Mr. Breithaupt: There's a certain amount of righteousness there.

Hon. Mr. Meen: Oh, he's a convert.

Mr. Cassidy: There is a real health problem here, and this is something which we should be interested in the 1970s and 1980s of this century—that is, prevention rather than simply curing people from illness.

One of the ways to do it is to make cigarettes so expensive it's very difficult for kids to afford to buy them at the ages they begin to smoke. Another is to make it difficult for people who are in their younger working years to afford to smoke heavily; to provide real financial incentives to people to quit smoking.

Right now it costs about 80 cents for a package of cigarettes. If you raise the price to \$1.25 or something like that, then you begin to make it look pretty heavy. It's cheaper to get drunk than to smoke.

Mr. Breithaupt: I don't know if that's the alternative we want to offer to everyone, Mr. Chairman.

Mr. Cassidy: It may well be that moderate drinking is a lot less health-harming than moderate or excessive smoking.

Mr. Chairman: That's not really in this minister's area of responsibility.

Hon. Mr. Meen: Not really.

Mr. Chairman: Anything further on gas?

Mr. Cassidy: But the minister has abdicated responsibility in this area, Mr. Chairman.

Mr. Chairman: That one carries. Succession duty and other taxes. Any question on this item?

Mr. Cassidy: Yes, Mr. Chairman. Can the minister say what was the original estimate of revenues for the land transfer tax a year ago when it was increased to 20 per cent?

Hon. Mr. Meen: I can tell you what the Treasurer estimated it to be.

Mr. Cassidy: Yes.

Hon. Mr. Meen: It was calculated on the assumption, and this also applies with respect to the land speculation tax, that growth would continue, that sales increases over purchase prices would continue unabated, that non-resident purchases of real estate would continue unabated and unaffected by the 20 per cent non-resident tax. I honestly don't know why he assumed there would be no effect from those pieces of legislation. So the \$60 million and the \$25 million estimated for the land transfer tax, and the land speculation tax respectively, were his figures—they were not mine—as to the estimate of revenue.

Mr. Breithaupt: All three premises of his own are incorrect.

Hon. Mr. Meen: In fact, you will recall that he said at the time of his budget that the more successful these two pieces of legislation were the less revenue there would be. I don't think even he in his wildest dreams assumed they would be as successful as they were.

Mr. Cassidy: In effect you've had negative revenue.

Mr. Breithaupt: It's how you define success, I suppose.

Mr. Cassidy: You said that \$60 million was the estimate for the land speculation tax and \$25 million for land transfer tax.

Hon. Mr. Meen: No, I did not.

Mr. Cassidy: Is it the other way around?

Hon. Mr. Meen: I said respectively; I said land transfer tax and land speculation tax, \$60 million and \$25 million respectively.

Interjection by an hon. member.

Hon. Mr. Meen: Thank you, Mrs. Campbell.

Mr. Cassidy: Well, to begin with, what has been the actual revenue of land transfer tax?

Mr. Good: You said the land transfer tax estimate was \$60 million and the land speculation tax estimate was \$25 million.

Hon. Mr. Meen: Right.

Mrs. Campbell: Mr. Cassidy said it the other way around.

Mr. Chairman: Yes. Do you have another question, Mr. Cassidy?

Mr. Cassidy: Yes, what has been the actual revenue? Where \$60 million was anticipated, what was the actual revenue of the land transfer tax?

Hon. Mr. Meen: A little over \$1 million on the land transfer tax, I think, and something like a couple of hundred thousand dollars on the land speculation tax. I can get you the exact figures.

Mr. Cassidy: That is fantastic.

Mr. Young: I hate to interject but what proportion of the sales are actually caught by the land transfer tax?

Hon. Mr. Meen: I guess I was mistaken. I thought the figure for land transfer tax revenue was estimated at \$60 million but it was estimated at \$50 million. I'm sure the other figure was \$25 million estimated for land speculation tax revenue.

Mr. Cassidy: Well, we are relieved your revenues didn't fall as much as you feared.

Can the minister say what is the total of exemptions that have been made for foreign purchasers who would otherwise have been liable to pay under the Land Transfer Tax Act?

Hon. Mr. Meen: There are a lot who are automatically exempt by the regulations, so we can't tell. They simply sign an affidavit setting out the facts and then, premising that the facts are correct, they are then only liable to and in any event they only pay at the lesser rate. So who can say?

There have been, oh, 40 or so who paid tax at the non-resident 20 per cent rate prior to Dec. 10, when the amendment to the Land Transfer Tax Act was proclaimed which granted an area of exemption; for example, if you were here on April 10, doing business in Canada and you were expanding the operation of your business on land that was zoned for the purposes of the business, from the experience we gained over the preceding eight or nine months, we felt you were then entitled to an automatic exemption. We amended the Act to provide for automatic exemption, and from there on you wouldn't come to us for an exemption. You would simply have an affidavit attached to your deed. So we would have no figures on any of those.

But there were some who completed purchases prior to that date and paid the tax. We felt that they had been unjustly dealt with, so I announced in December that we would entertain applications from those for rebates. We have had a number of applications from people such as that, who made these purchases and paid these taxes, and we have granted the rebates of tax that they paid. I believe—I think the staff can give me precise details—it is somewhere around 40 in all where there have been orders in council that have granted exemptions and rebates in cases like this.

Now there have been many others in which there have been deferrals of tax, in which they have undertaken to do certain things within a specified period of time, provided they meet those criteria, e.g., obtain the suitable rezoning for the land and go ahead and develop it for the purposes of their business, to expand their operations, or they become an individual resident of Ontario within the stipulated time, or any number of other conditions that may have been set up, such as develop the land and resell it to residents. Then the tax is waived. If they do not meet those criteria they will ultimately become liable to the tax. But there are orders in council, all of which have been gazetted, that set these out.

Mr. Breithaupt: Mr. Chairman, how many thousands of lien clearance certificates have been granted so far? The reason I ask the question is that as a practising solicitor one is more and more aware of the additional paperwork now. There are two and three extra affi-

davits for every deed. I would expect, if nothing else, the manufacturers that purvey filing cabinets to the registry offices will have an increased market just for the storage of all this stuff alone.

At this point, there simply is additional work being created automatically. There are more forms. Besides the "I'm not a non-resident" that we have under the Income Tax Act, we have the additional affidavits to be completed under both these statutes, the Land Speculation Tax Act and the Land Transfer Tax Act, in every real estate transaction.

The first question is, how many of these are there that are automatically exempted or cleared? Secondly, what monitoring do you do to find out if they're truly exempt?

Hon. Mr. Meen: I'm told that we're putting through—well, almost 6,000 a month in April, but around 5,000 a month. It seems to range from 5,000 to 4,200 or 6,100 to 5,900, and so on, per month. So on average it looks like around 5,000 a month, or that would be 60,000 a year.

Mr. Breithaupt: Then, for the 60,000 a year that you're requiring to be done, first of all how are you monitoring that those are accurate? Do you think that paperwork is worth the few that you get?

Hon. Mr. Meen: There is a post-audit programme.

Mr. Breithaupt: Yes, I'm aware of that.

Hon. Mr. Meen: So that's the monitoring. Do you want particulars on how the monitoring works?

Mr. Breithaupt: I'm just wondering—

Hon. Mr. Meen: You're practising law. Have you not yet had a letter from the ministry asking you to confirm certain details of some particular transaction you may have completed?

Mr. Breithaupt: I have not received such a letter, but no doubt one came.

Hon. Mr. Meen: Your colleagues will.

My deputy reminds me that we have checked this through the assessment records as well.

Mr. Breithaupt: Yes.

Hon. Mr. Meen: But followups with solicitors as well as on a spot basis—we don't do anything like 100 per cent, obviously.

Mr. Breithaupt: And in the past year have there been any prosecutions or matters that

have been brought to a serious difference of opinion?

Hon. Mr. Meen: I know of none but it would surprise me if we hadn't had a few that had maybe gotten straightened out in the course of an audit. No, there have been no prosecutions to date.

Mr. Breithaupt: And what are your expectations out of this 60,000 or 50,000 a year?

Hon. Mr. Meen: I think I'd be less than candid if I didn't say that in the first year, where you start from scratch, particularly dealing with the Land Speculation Tax Act, that it's fairly easy to conclude that there aren't many transactions at all in a taxable position. But, as time goes on and the evidence becomes clearer that a purchase was made, let's say, after April 9, and the value of that transaction will be set out in the affidavit under the Land Transfer Tax Act, then a year or so thereafter or less, the property is turned over at a different value, then some tax will be realized or the potential for tax will arise. I would, as I say, be less than candid if I didn't say I expect we'll have more occasion in the future than we have had in the past to question some of the transactions.

Mr. Breithaupt: So, in effect, you expect that time will become your best monitoring agent.

Hon. Mr. Meen: We'll see more instances in which there will be clear evidence of tax.

Mr. Breithaupt: As it builds up its own tradition.

Hon. Mr. Meen: We have had some cases in the last year in which the parties involved have been absolutely certain they owed tax. There was no question of it. It was a matter of sitting down with them and determining just what was the net amount subject to tax after their various allowable costs. Their costs of disposition, you'll recall, were amended in the amending legislation in January to allow for the full amount of real estate commissions and other things that hadn't been taken care of in the first bill. There are a lot of these things which I think we've sorted out. But I suppose we will continue to have some disagreements with vendors when they come to determine the amount of their tax.

Whether we will see any significant measure of dishonesty, I don't know. But certainly up to now there hasn't been anything come to my attention.

Mr. Chairman: Mr. Good.

Mr. Good: We had quite a discussion on this one point when the legislation was being passed, and subsequently when the amendments were put through; that is regarding establishment of the value of properties held at the time of the bill coming into effect last April 9. By what you say now, I gather you are not too concerned in establishing a precise valuation at that date; you are more interested in properties that have been sold since then and will be increased in the future.

Hon. Mr. Meen: No; there are two factors, Mr. Chairman. The first is, as time goes on there will be more properties that raise the question because they have been dealt with after a gain from a financial transaction.

Mr. Good: No problem there.

Hon. Mr. Meen: The second is that in that first-year period there really was no dramatic upward shift. There were some demonstratable cases; that's why we collected \$300,000 in land speculation tax in that period of time.

Those were isolated cases where there was profit, where it was so clear nobody gave us an argument. But I don't think the overall figure for real estate demonstrated any dramatic increase—whether it was the speculation tax or the non-resident aspect of the land transfer tax; or whether it was mortgage interest rates or whatever.

Mr. Good: At the time of the passage of the bill I think you indicated the original evaluation could very easily be established by the department of assessment of your ministry pushing computer buttons to get the market value on these properties, which would be your guide. It was shown this is not a guide to valuation of April 9, 1974, because market value assessment in many areas having been completed some two years prior to that represented only 50 or 60 or 70 per cent of the then market value. It was a pretty iffy situation just how the ministry could prepare documented values as of April 9, 1974, to really present its case, if the figures were not—

Hon. Mr. Meen: Mr. Chairman, it is no more difficult than valuation day of Jan. 1, 1972.

Mr. Good: I know.

Hon. Mr. Meen: It just happens to be a different day.

Mr. Good: That's right.

Hon. Mr. Meen: They did it, and all I'm saying is we still say we can do it. There will be many instances in which we will have to

determine a value on that date of April 9, 1974. The computer won't tell us what that property was worth per se, but it will deal with other like properties that sold in the area in that general time-frame, give or take a month on either side. We can determine from that what that property would have been worth on April 9, 1974, had it been on the market and sold by a willing vendor to a willing purchaser.

Mr. Good: Then my question is, what process are you now using to establish that value? Your answer is that you are using the sales of comparable property at the time.

Hon. Mr. Meen: Yes.

Mr. Good: And if there were no sales of comparable property, such as a farm in the middle of nowhere or a cottage in the middle of nowhere?

Hon. Mr. Meen: I suppose we could have a problem, Mr. Good.

Mr. Good: You still are going to go back to the person—

Hon. Mr. Meen: Look, the person involved might well be asked to present an appraisal by a qualified real estate agent or appraiser. If we had no other information I suppose it would be fair to say, that with that in evidence and nothing else to rebut it we'd be stuck with taking it. But I think we'd have our own evidence too as to what it would be worth.

Mr. Good: One other question regarding the land speculation tax: What has been your experience in the first year of operation as it relates to the lots sold by developers to small builders? Do you find the nine-month period is sufficient to start—

Hon. Mr. Meen: Oh, that's wiped out.

Mr. Good: Oh, that's completely wiped out?

Hon. Mr. Meen: You remember the difficulties we got into because the purchasers didn't know what kind of potential liability they were assuming when they took that on?

Mr. Good: Oh, that's right.

Hon. Mr. Meen: So we took that off; and all the developers have to do now is bring the lot to the point where a building permit can be obtained to erect a dwelling on it. Then the purchaser buys it free of any liability.

Mr. Good: We had a discussion on that; half for nine months and the other half for eight months.

Hon. Mr. Meen: Back in January.

Mr. Good: Okay, thank you.

Mr. Chairman: Any further questions on this particular section? Mr. Cassidy.

Mr. Cassidy: Yes, Mr. Chairman, what has been the cost of collecting these two land taxes that were imposed last year?

Hon. Mr. Meen: The collection of the land transfer tax, of course, is integrated already with the collection of the resident land transfer tax. I can't give you a breakout on that. It wouldn't surprise me if it has cost us as much to administer the spec tax Act as we've collected. Yes, our figures indicate \$402,500 for part-time staff, printing and stationery \$86,250, office equipment and supplies \$10,500; as close as anything is to swearing, half a million dollars.

Mr. Cassidy: Okay.

Mr. Breithaupt: And you collected?

Hon. Mr. Meen: Three hundred thousand dollars.

Mr. Breithaupt: So it's been an eminently successful tax programme from your point of view?

Hon. Mr. Meen: No, this is land transfer and land speculation tax. I wish I could split those two. But in any event, even if that were all land speculation tax, it seems to me that's a small price to pay for the effect it's had on land speculation in Ontario.

Mr. Good: It sure kept people from buying.

Mr. Cassidy: Yes.

Mrs. Campbell: Do you really believe that?

Hon. Mr. Meen: Yes. We collected \$47 million in land transfer tax in addition. So it is \$47.3 million total collection for a total collection cost of half a million dollars.

Mr. Breithaupt: The vast majority of the land transfer tax which is the most efficient tax you have to collect, is remitted automatically and immediately in amounts which would have none of those administrative costs.

Hon. Mr. Meen: No, not necessarily, because we have the non-resident aspect of that. Oh yes, there is a substantial part of the administrative cost that's buried in this full-time, part-time staff related to the non-resident aspect of the land transfer tax.

Mr. I. Stephenson (Director, Succession Duty Branch): There is a large interplay between ourselves and the registry offices. Every day is a big day between ourselves and the registry offices. It isn't as simple as just going in and paying it on registration of the document. We do, in fact, have an interplay with the registrars asking for instructions.

Mr. Breithaupt: I realize you would have some involvement, certainly with the registrars, but I wouldn't have thought it would be that involved.

Mr. Crosbie: It's an exchange of information and communication.

Hon. Mr. Meen: They phone back and forth or whatever.

Mr. Chairman: Mr. Good has a question.

Mr. Good: Could you explain briefly, Mr. Minister, the changes that were developed for corporations in that this tax was not a deductible business expense as far as federal income is concerned? You reduced your 50 per cent to 20.

Hon. Mr. Meen: Initially we thought this tax would be treated like royalty payments and others—

Mr. Good: As an expense of doing business.

Hon. Mr. Meen: That is correct; and it had, like other expenses of doing business, been deducted. That was the only way we could proceed at the time the bill was introduced, so the rate was set at 50 per cent of the net amount.

Mr. Good: When was that?

Hon. Mr. Meen: Eventually—in October roughly—we did get a ruling from the federal government, which said: "No way. If you leave it that way we'll simply disallow it and if any of your taxpayers purport to claim it as deductible expense we will disallow that expense as a deduction before computing income." So with that confirmed by the Hon. Mr. Turner to me, we decided the closest approach to the same net effect would be a 20 per cent tax on the gross profits disregarding any allowance for corporations.

Mr. Good: Does that 20 per cent apply to a corporation regardless of its tax rate at the federal level?

Hon. Mr. Meen: Yes, it is a transactions tax; it's not an income tax.

Mr. Good: In other words, it is a 20 per cent tax—

Hon. Mr. Meen: It's on the transaction. They could be in a loss position. They could be in a high tax bracket—well, they're in the 50 per cent tax bracket, presumably, anyway; or 46, whatever the rate is.

Mr. Good: A corporation taking advantage of the small business tax credit—

Hon. Mr. Meen: They still pay the same 20 per cent rate.

Mr. Good: —paying at a rate of 25 per cent, would still have to pay 20 per cent on this transaction?

Hon. Mr. Meen: That is right; and an individual, regardless of whatever personal income tax bracket he falls into, will still pay 20 per cent.

Mr. Good: An individual?

Hon. Mr. Meen: Sure, this relates to an individual just as much as to a corporation. It's a transactions tax, not an income tax.

Mr. Good: I know. The rate for an individual is reduced from 50 to 20 per cent as well?

Hon. Mr. Meen: Yes, because it's a transactions tax. It doesn't look at who you are, whether you are a corporation or an individual; it doesn't look at what tax bracket you are in. It looks at the spread between your acquisition costs and your disposition costs.

Mr. Good: Yes, but an individual could not deduct the tax from anything anyway, could he?

Mr. Crosbie: No, for the same reasons.

Hon. Mr. Meen: As the deputy says, for the same reasons—the federal government says it will disallow it.

Mr. Good: I am a little foggy in one area there. In other words, the tax is 20 per cent on the increase from that date for an individual or a corporation?

Hon. Mr. Meen: Right. He cannot take off that 20 per cent when he prepares and files his income tax returns. If he has acquired a property for \$20,000 and sold it for \$100,000 he has an increase of \$80,000. He will pay \$16,000 tax. He cannot say, "Okay, my net profit on that transaction was \$64,000." He has to show it as \$80,000 and he will pay income tax on \$80,000, be he an individual or a corporation.

Mr. Good: But with a corporation that profit will be assimilated into other corporate profits or losses—

Hon. Mr. Meen: Right.

Mr. Good: —and tax will be paid.

Hon. Mr. Meen: They pay 20 per cent on that transaction.

Mr. Good: I know, but the individual's net gain on that would be subject to federal gains tax.

Hon. Mr. Meen: If it is indeed a capital gain, he will only take half of that profit into income for income tax purposes. If it is a corporation, it might very well have experienced it as a capital gain, too, and only take 50 per cent of it into income for corporation tax purposes.

Mr. Good: It depends on the nature of the business.

Mr. Chairman: Any further questions on this section? Carried. Retail sales tax and other taxes.

Mrs. Campbell: Yes.

Mr. Young: Yes.

Mr. Chairman: Mr. Young.

Mr. Young: On the retail sales tax I have a letter on my desk from a company selling production machinery, arguing very strongly about the deadline which was set. He says now, because of slowness in delivery, he is experiencing customers who are saying, "I will cancel the original order. I'll reorder and that means I save the five per cent which otherwise I would have to pay because of the date." Has anything been done to clarify that situation or can anything be done?

Hon. Mr. Meen: The Act, on the face of it, prohibits it, sir.

Mr. Young: Prohibits the cancellation?

Hon. Mr. Meen: In other words, if the vendor and the purchaser get together and collusively arrange to cancel an agreement, a contract, on the understanding the purchaser will replace it after April 8, the vendor is required to collect the tax at seven per cent.

Mr. Young: Five per cent.

Hon. Mr. Meen: It's either five or seven depending on whether or not the goods were identifiable.

Mr. Young: What is to prohibit, as he suggests, the customer cancelling with his firm and buying somewhere else?

Hon. Mr. Meen: Nothing, if the terms of the contract were that loose it could be cancelled without penalty.

Mr. Young: So that's the whole situation.

Hon. Mr. Meen: Yes, and I must tell you I've heard about one or two instances where that apparently has happened.

Mr. Young: My only reply to that person is there's nothing to prevent your customer cancelling unless you have a contract which is—

Hon. Mr. Meen: I don't think I'd feel like offering legal advice of that sort without looking at the contract.

Mr. Young: Providing your contract is such and such.

Mr. Chairman: Mrs. Campbell.

Mrs. Campbell: If I may, I will go into this matter that I raised earlier. The letter to which I made reference was under date of April 25 on the letterhead of Professional Sales Tax Consultants Ltd., addressed to Mr. McKeough. If I may, I'd like to look into the matters which seem to pertain to Revenue. I won't read all of it because it runs, as you can see, for about eight pages. If I may, I will just cover some of them:

The following paragraphs will outline the recent and not so recent performances of the retail sales tax branch of the Ministry of Revenue to establish the fact that the way the statute of limitations was instituted was not only grossly unfair but bordered on legislative trickery.

One of the main problems is that of defining real property. It is understood, and recent changes of interpretation would tend to confirm this fact, that new regulations and rulings are ready for publication covering this subject, and when published will disclose the fact that millions of dollars of assessments, plus an undetermined amount of disallowances of rebate claims, have been made in error and should be returned to the vendors and non-vendors of this province.

This statute of limitations will preclude such recoveries caused directly by misinterpretation by the retail sales tax branch for two years and for a lesser period if claims are not filed immediately.

As I said, there were two aspects to this letter. First, there is the matter which is substantially

for Treasury. Then there is this question of the role of the retail sales tax branch itself, which is Revenue, I take it. There's the question of interpretation of real property. Then he goes on to say:

On Dec. 4 and 5, 1974, a tax seminar was held to discuss the changes in the application of provincial sales tax to purchases by hydro commissions. The commissions were informed that most of the materials and equipment which were purchased and installed by hydro commissions should have been in the classification of real property.

One must only assume that the retail sales tax department's determination of real property to that date contravened the determination as laid down by the legal branch of the province.

That is whatever legal branch it is. I would have thought it might be your own, since you have a substantial one. So we have that situation.

On April 4, the 12 district offices could inform the affected parties, if an inquiry was made, that claims would be accepted, processed and approved back to Sept. 1, 1961.

Then in this portion—and I'm trying not to belabour it, I'm trying to cull from it—at this point I think he's back to a complaint about the statute of limitations, which would not be referable in any way to your ministry. That's what makes it so awfully awkward to try to come to grips with it, because the policy is in one ministry and the function is in the other.

Then they go on to discuss the matter of municipalities that they are in the same position on sewage disposal equipment. One would have thought this would be really an important exemption to give some incentives to people to get on with this particular item.

Then there are hospitals, operating room equipment, and so on. What concerns me about this—and I'll have to get the other answers from the other ministry, no doubt—is why you wouldn't have the information? Why should there be a misinterpretation, and was there a misinterpretation? What is the situation in your 12 district offices? What is the position on real estate, real property, and the differentiation in that particular item?

Hon. Mr. Meen: If memory serves me, in some of those transactions, where a local utility took over assets of Ontario Hydro, there was some difficulty—in the early days anyway—of determining whether it was realty and subject to tax, or whether it was personalty and not subject to tax.

Mrs. Campbell: The other way around.

Hon. Mr. Meen: The other way around. Right. We've subsequently clarified that. Is that fellow's name Hobbs, who wrote that letter?

Mrs. Campbell: Could be. Yes.

Hon. Mr. Meen: Yes, well, he is one of these chaps who goes around getting to some municipalities and he operates on a commission basis. I know some of them operate on a 50 per cent commission basis. Any time they can stir something up and find something where they can collect some money, they get 50 per cent. I don't know whether that's the way Mr. Hobbs works, but the point is—

Mrs. Campbell: Mr. Chairman, I am not taking it to be gospel. I've received a letter and I'm asking you questions as a result of the letter.

Hon. Mr. Meen: I know, but what I am coming to is that I can see why he is concerned about this—

Mrs. Campbell: I could see why anybody would be.

Hon. Mr. Meen: —if it was a mistake of law or a mistake of fact, or whatever it may be. We have now set a time limit on this and we have been prepared to go back and look at some of these things and recalculate them. If we find that on the recalculation we overcharged back in this two-year time limit, we will go back two years and we will give them a rebate. But he is one who would like to go back a lot further than that. I will be happy to have our people look into that and see if there is anything further in what he says. But I think what I'm really trying to say to you is that he's got more than an altruistic approach.

Mr. Good: But that's not—

Mrs. Campbell: I really am not taking what he says as gospel. I'm simply saying this is a letter and these are statements made in it. Are they true? And if they are true, why shouldn't there be an opportunity for a rebate? This is where you cut off your ministry, because your ministry may have been at fault in advising. But your ministry had nothing to do with the policy of the statute of limitations and the failure to accord the federal kind of relief in a letter of intent, rather than filling a full claim within the statutory period. But if, in fact, it was the fault of your ministry that there was misinformation given, what is your responsibility? Do you know whether this is so?

Hon. Mr. Meen: No, I didn't know. I asked you before dinner if you could get me the

particulars. I would like to have a copy of that if I might, Mrs. Campbell.

Mrs. Campbell: I thought everybody in the whole world got it. You didn't see it?

Hon. Mr. Meen: You assumed that I already knew all the facts, but I would like to see that. In any event, if there is misinformation, I'll look into it. I rather expect, though, that it's one of these cases in which, over the years, the various utilities that have made these purchases have accepted the figures. Now, taking a somewhat different view, some of them are willing to go back a long while. Treasury and Economics and we have decided that there has to be a time limit on how far we can go back.

Mrs. Campbell: I'm concerned basically with the fact that he is referring now to municipalities, hospitals and hydro commissions. I really am not getting involved in other areas, but in those areas where I think you have a responsibility, if, in fact, the information given by your ministry to them was in error. I'm not making any plea for anybody else at this point, but I would like to know. I take it that the question is, is there anyone here who can tell us whether, in fact, you did misinterpret the definition of real property?

Hon. Mr. Meen: I think the answer to that question, Mr. Chairman, is that you are in a difficult area of fixtures.

Mrs. Campbell: Lawyers are into it all the time.

Hon. Mr. Meen: Exactly.

Mrs. Campbell: And you have a legal department.

Hon. Mr. Meen: I think some of the interpretation we are using now is broader than at one time.

Mrs. Campbell: Broader in what way?

Hon. Mr. Meen: It includes more of the property as realty rather than personality. It would reduce the impact of retail sales tax in certain areas.

Mrs. Campbell: Does this mean then, as this gentleman implies, that as far as machinery is concerned—and we have been hearing a lot about that exemption—that, in fact, it doesn't amount to very much because most of it would have been assessed as realty in any event?

Hon. Mr. Meen: I don't know as I can put a dollar value on this. The capital projects of municipalities are exempt in any event from

retail sales tax. Part of this problem came to light when there was a federal government interpretation of machinery. They put an entirely different meaning on it than had been used here before. This resulted in a change in our attitude. We have been taking the position that, where there has been a change in interpretation of that order, the limitation period must apply to it. There is no question but that there has been a change in the interpretation of the law, if you will, as a result of the court decision. We do not go back and retroactively correct all of the assessments that may have been made on the basis of the misinterpretation of the law, if you wish to put it in those terms. That's what makes answering this letter somewhat difficult.

Mrs. Campbell: You have seen it then?

Hon. Mr. Meen: No, I haven't. I am just listening to what you have read. Some of these questions, I suppose, are still in dispute as to whether or not a particular piece of equipment is personalty or realty.

Mrs. Campbell: Let me just read this part about the recent exemptions granted to production machinery. "They may not have such an impact on industry as the forthcoming definition of real property. It is indicated, by past departmental precedents, that the majority of production equipment will eventually fall into the real property category. In fact, it has been indicated that equipment permanently placed, and held in position by its own weight, may be classed as previously mentioned."

Hon. Mr. Meen: A lot depends on whether you are talking about the initial installation of the machinery or the resale of the plant with the machinery in it. Once again, the reduction in the sales tax on production machinery relates to the installation of new equipment which must be personalty. So I cannot agree with that statement. If you are talking about buying an existing plant with the machinery installed, perhaps bolted to the floor or whatever—

An hon. member: Then you are into the difficulty.

Mrs. Campbell: Into the fixtures.

Hon. Mr. Meen: Yes.

Mrs. Campbell: I guess perhaps all I can say is that this is a letter which has come to my attention. It is, to me, a very interesting letter. I simply want to know what the background is. Is it a fact that on April 4, 1975, one day prior to the budget, the 12 district

offices could inform the affected parties that claims would be accepted, processed and approved back to Sept. 1, 1961?

Hon. Mr. Meen: They may have. I have no knowledge of that because at that time there had been no announcement of the two-year limitation period.

Mrs. Campbell: Right. So that in effect what he is saying is right.

Hon. Mr. Meen: That is correct.

Mrs. Campbell: On the day before the budget they could have gone back to 1961.

Hon. Mr. Meen: That doesn't mean they would. Yes, it was discretionary. It does not mean it would have been allowed by the ministry.

Mrs. Campbell: I didn't say would, I said could.

Hon. Mr. Meen: That's right—could have been processed; could have been accepted. There was no time limit in the Act.

Mrs. Campbell: And what he says is:

Then the obvious situation resulted. If you had staff available and were prepared to gamble on an affirmative decision by the department, you won. If you did not have available staff and relied on the integrity of the government, you lost. In one instance, a hydro commission was requested not to file their claims for the full period, as it would create too large a work load for the district taxation office. And it was suggested claims be filed in stages covering shorter periods. Now, the unfilled period becomes the victim of the statute of limitations.

Is that so? If it is so, what is your responsibility?

Hon. Mr. Meen: Can he tell us what it was? I have no idea whether it's so.

Mr. Crosbie: That's the first I've heard of it.

Hon. Mr. Meen: Yes.

Mrs. Campbell: I don't think it's productive to go further. I will see that a copy is made, if I may. This is not my copy, it's my colleague's, I couldn't find mine. But I'll try to get one.

Hon. Mr. Meen: I'll see what I can find out about that, Mr. Chairman. I think that would be interesting to pursue. Mind you, if they did tell them that, I can imagine them doing it in all honesty. They would not have been taken into our confidence that we were going to alter

that period which went back, under the Act as it then existed, to day one of the retail sales tax.

Mrs. Campbell: But what would happen, for instance, supposing you were the policy ministry and you were considering this policy for implementation, wouldn't you have something that you could say to people to give them some kind of warning in a situation like this; that perhaps this wasn't the time to open your mouth on the subject, or something?

Hon. Mr. Meen: I don't know how you can tell people that.

Mrs. Campbell: Supposing you go to a hydro commission district office and say; "Don't put it in all at once, the work load is too heavy." And the next day they find that because they didn't do that, they then have lost a portion. I think, then, that you have a real responsibility, either you or Treasury—I don't know who, but somebody does.

Hon. Mr. Meen: For starters, if you can get us a copy of Mr. Hobbs' letter—

Mrs. Campbell: I shall.

Hon. Mr. Meen: —then we perhaps could pursue that and find out just what commission that was, what agency it was, what retail sales tax branch it was; and we will look into it. I think that bears looking into.

Mrs. Campbell: I think it all does.

Hon. Mr. Meen: That one does, anyway.

Mrs. Campbell: The specifics of it.

Hon. Mr. Meen: That's right.

Mr. Chairman: Mr. Cassidy has a question.

Mr. Cassidy: Three or four questions about the sales tax, Mr. Minister.

Hon. Mr. Meen: About which?

Mr. Cassidy: Sales tax. The first one is a problem that came to me just the other day from a private vending machine operator in Ottawa. As I understand his business, Coke, or one of the big bottling companies, brings the cans around every few days to the machines which this vending machine operator operates. As far as the ministry is concerned, there is a tax on each can. I suppose it is about two cents per can now, is it?

Mrs. Campbell: They should increase the tax on Coke, because it's very harmful to people.

Mr. Crosbie: If it's over 20 cents.

Mr. Cassidy: If it's over 20 cents, then it's two cents, is it?

Mr. Crosbie: Well, over 21 cents. For 21 it's one and for 22 you get the two.

Mr. Cassidy: Okay. That limit was raised to 21 cents, I recall, partly because of the problem of soft drinks and other things that kids buy, except that the price of soft drinks and ice cream and so on has gone beyond those limits which were originally set.

The problem in this particular case is that the invoices come in like leaves off the trees in autumn. Every time each machine is filled, there's an invoice there for 50 cans or 100 cans, or something like that. And they are required to calculate tax on each individual invoice.

The question my friend asked me, which seems quite reasonable, is: "Why would it not be possible, and subject to audit, for an operator to simply submit a tax return at the end of the month saying that out of all of the invoices, I have sold 13,000 cans of pop and here is my tax for so much per can, or here is my tax at so much on my gross?"

Hon. Mr. Meen: Bulk invoicing.

Mr. Crosbie: Does he not make a monthly return now?

Mr. Cassidy: Apparently he is now required to—

Mr. Crosbie: He pays the vendor who provides the Coke to him? He pays the tax to him each time it's filled up?

Mr. Cassidy: He gets it from the canner at wholesale, so there is no tax involved there. He is the retailer and is apparently required both to pay and calculate on each invoice, and also to keep his invoices for seven years—or whatever period of time is required—rather than keep one record at the end of each month.

Mr. Crosbie: But he's making a monthly return on the tax.

Mr. Cassidy: But he says that he isn't.

Mr. Crosbie: This is the same as any other vendor. He has to keep all the records, the evidence of the collection of tax.

Mr. Cassidy: Yes.

Mr. Crosbie: He makes a monthly return.

Mr. Cassidy: But should it not be possible for him to ask his supplier to simply give him a monthly summary of the deliveries.

Mr. Crosbie: Yes, if he can get that I don't see why we would object.

Mr. Cassidy: I see.

Mr. Crosbie: All we want to know, on a monthly basis, is how much did he sell, how much was taxable?

Mr. Cassidy: Is there some way he can get rid of these records, which are clogging up his files, which are the invoices day to day?

Mr. Crosbie: He could write to the district office to make sure we've cleared the records back and he can get rid of ones we don't need.

Mr. Cassidy: The records can be cleared back.

Mr. Crosbie: There was an amendment to the Retail Sales Tax Act. Our audit period is now three years unless we discover fraud or misrepresentation.

Mr. Cassidy: But can the records be disposed of even within the three years if you are satisfied that things are okay?

Mr. Crosbie: Yes.

Hon. Mr. Meen: Sure, if he had done one last year up to that point then he should be free to dispose of them back behind that time. Unless we discover fraud. He is recorded as a retail merchant?

Mr. Cassidy: Yes.

Hon. Mr. Meen: Has a vendor's permit?

Mr. Cassidy: I presume so.

Hon. Mr. Meen: The maximum frequency of return would be once a month in that case.

Mr. Cassidy: It is a problem with all the paper work which is entailed.

Hon. Mr. Meen: I would suppose his problem lies with his vendor, Mr. Cassidy, rather than with us.

Mr. Cassidy: Okay; my second question is, am I correct that kid's clothing is exempt from retail sales tax in Ontario.

Mr. Crosbie: Depends what you call kids' clothing.

Hon. Mr. Meen: Mere size, no.

Mr. Cassidy: Clothing which is apparently sized for small people, including children, is exempt from tax?

Mr. Good: Not if it is used for sport.

Hon. Mr. Meen: We've got various categories, Mr. Chairman, boys' shirts, children's hose and stretchy socks, children's hats, children's gloves, children's footwear—that's the \$30 figure. Clothing general, up to girl's size 14x, boy's size 15 or certified under 15 years of age—I'm sorry I'm looking at British Columbia—Ontario, girl's size 14x, boy's size 18.

Mr. Cassidy: What does the boy's size 18 actually mean. I'm not familiar with the sizing. What age wears size 18?

Mr. Crosbie: It was designed to cut in around age 14, although this obviously varies with the child.

Mr. Cassidy: I just wonder whether the ministry looked at this. The fact is that some 11-year-old girls—not even 12-year-old girls—some 11-year-old girls are now—

Mr. Crosbie: I have a 12-year-old son.

Mr. Cassidy: And 12-year-old boys. Both are well beyond the sizes which are permitted by the ministry.

Mr. Breithaupt: And then you get someone like Allan Grossman who can avoid paying tax by buying children's sizes.

Hon. Mr. Meen: We had this big problem with shoes. That was how we eventually got to dealing in terms of price instead of sizes in shoes. I've said recently, I'm not sure that \$30 is as realistic today as it was a year ago, but dealing in the category of price rather than size seemed to overcome 95 per cent of all our problems with kids shoes.

Mr. Cassidy: I agree about that.

Hon. Mr. Meen: I don't know how we would do anything similar in clothing.

Mr. Cassidy: The real problem for families with the cost of clothing is that the extra sales tax is just an added burden on a group of people who tend to wear their clothing pretty hard. Would it not be possible to set an age? I don't know whether this is an administrative question or a cabinet question.

Hon. Mr. Meen: If you're talking about age, it is an administrative one because auditing them becomes damn near impossible. The vendor would have to keep an affidavit from everyone who bought everything for a child and for three years, let's say, for our auditors to be able to go in and confirm whether he properly collected or didn't, as in that case, the retail sales tax on a particular garment. From a bookkeeping-auditing standpoint it's

just a horrible situation to contemplate, to think nothing of phone orders and orders by mail.

Mr. Cassidy: You've just gone ahead and said you can't do it without even considering the matter.

Hon. Mr. Meen: No, I've just outlined the difficulty of mechanism in this thing. You said it might be difficult and it sure is.

Mr. Cassidy: It strikes me that there should be a means by which proof of age could be shown on the borderline cases. Obviously, with a pair of toddler's mittens there will not be a problem that they might be used for an adult. Proof of age would not be required there. It's when you get a child of maybe 11, 12, 13 or 14 who is wearing adult-sized jeans or misses sizes that the problem arises. Would it not be possible there for the tax to be exempted, provided that proof of age was shown?

Hon. Mr. Meen: It's just the same sort of thing. Suppose proof of age is shown or isn't, but the merchant notes in his book that proof of age was shown, how do we ever audit it? He may very well have collected the five per cent tax and then pocketed it. Do you see the difficulty?

Mr. Cassidy: I don't see that as being any difficulty. You have the problem now where goods of a very small value might have a tax put on them, and you occasionally tax things like that. You have the problem where tax is levied on quite a wide range of exempt goods because of a merchant who may be playing games with the ministry. You must have means of catching up with that. Your audit can include a telephone call to a purchaser to say: "Look, was your kid really under 14 or whatever age he happens to be?"

Hon. Mr. Meen: What do you do if he says no, he wasn't?

Mr. Cassidy: At that point then you bring the merchant up to book, if you have evidence that the merchant does that.

Hon. Mr. Meen: The merchant says: "That's what he told me, that he was under 14, so I never collected the tax."

Mr. Cassidy: The merchant seeks proof of age and that proof of age was shown.

Mr. Breithaupt: I suppose the advantage that keeps most persons honest and not fiddling with—

Hon. Mr. Meen: The older brother's proof of age or the younger brother's.

Mr. Breithaupt:—the particular records is the fact of the cash register, which because of its requirements and because of his own, shall we say, company audit requirements for that merchant for his own business requirements, makes it not worthwhile to attempt to deduct and calculate and make notes and, as a result, ring in false information on his own permanent record. I guess the benefit is, do you rely on most people as being tending to be honest.

Mrs. Campbell: Obviously, they do. They don't do very much in the way of audits.

Mr. Breithaupt: How many merchants would you audit in this kind of situation that Mr. Cassidy has described?

Hon. Mr. Meen: Quite a number—sufficient that I think most merchants stay honest even if they might have the tendency, and I'm not suggesting any do.

Mr. Cassidy: Does the minister assume that most merchants are honest or dishonest in this matter?

Hon. Mr. Meen: I am assuming that most merchants make honest returns.

Mr. Cassidy: Given that fact, should it not then be possible to administer this system?

Hon. Mr. Meen: We are talking about the auditing procedure.

Mr. Breithaupt: And that it's impractical to be dishonest?

Hon. Mr. Meen: Sure. Life's too short.

Mr. Chairman: I would hope that most merchants are honest in this province.

Mr. Cassidy: I would question a minister who thought most merchants weren't.

Hon. Mr. Meen: I'm saying that I think most merchants file honest returns.

Mr. Cassidy: Okay, if you think they're honest, then why can't you bring in a system where proof of age is shown or if an affidavit is signed, if it's a mail order or something like that, saying: "Yes, I'm 14, not 15"? Then that will be okay. Is the fiscal loss going to be so great that it doesn't justify helping out borderline cases?

Mr. Chairman: Is it not much easier though, Mr. Cassidy, to take a size of a garment, a boy's size—it usually goes up to size 16—and sell the article rather than try to establish the age of the person who will use the article?

Mr. Cassidy: If an 11- or 12-year-old boy or girl is wearing a garment larger than the maximum allowed by the regulations, you have a situation which is pretty unfair.

Mr. Chairman: A size 16 garment would fit 99.9 per cent, I would think.

Mr. Cassidy: No, because kids are getting bigger every year. That is why this year's crop of 11- and 12-year-olds are as big as 13- or 14-year-olds back in the 1950s.

Mr. Chairman: Then the merchant should raise the sizes to 18 or 20.

Mr. Cassidy: That is up to the minister. It is not the merchant who is to blame.

Mr. Chairman: The manufacturer of the garment should increase the sizes.

Mr. Cassidy: Mr. Minister, have your people looked at the situation in BC to find out how a socialist administration manages these things?

Hon. Mr. Meen: Yes, I understand they have.

Mr. Cassidy: What is the result of that inquiry?

Hon. Mr. Meen: I understand they have simply thrown auditing away.

Mr. Cassidy: That is a very interesting innovation. Perhaps the deputy or one of those sales tax people could say a bit more about how the system does work there, because there proof of age is admissible, is that right?

Hon. Mr. Meen: They sign a certificate that the purchaser is 15 years of age or younger.

Mr. Cassidy: Right. Is there any evidence of widespread difficulties or abuse?

Mr. Crosbie: We understand there was no evidence of an audit follow-up. It was impractical to do anything significant so they just didn't bother.

Mr. Breithaupt: So the basis for that is that likely most people who have to fill out a form are going to be honest in the filling out of a form?

Hon. Mr. Meen: No. What they are saying is it is impractical to follow up in the audit.

Mr. Breithaupt: Then, of course, why bother having the forms signed in the first place unless there is therapeutic value in signing something with a provincial coat-of-arms in the upper corner?

Mr. Cassidy: The deputy says he doesn't know. Let me ask the question again. Is there any evidence from retailers, from the trade, from somebody whose nephew you know, of widespread abuse with the system as it works in BC?

Mr. Crosbie: I don't know of any statistical analysis or survey made in BC to determine the slippage in tax which results from this declaration.

Mr. Cassidy: Would it be your opinion that it is substantial?

Mr. Crosbie: I don't really know.

Mr. Cassidy: I think it is a useful idea, Mr. Chairman, that 14- and maybe 15-year-old kids who are still dependants and are prohibited from working by law, shouldn't have tax levied on them just because they happen to be big. I would recommend that to the minister.

Mrs. Campbell: A well-known clergyman in this city drew to my attention that his daughter at the age of 11 was wearing women's-sized clothing and he felt it was very unfair. Is this ministry in any position to do anything about it? I took it this would have to be Treasury and, as you say, you are simply the tax collector.

Hon. Mr. Meen: Treasury would be the ones who would establish the tax laws by going to girl's size 15x, let's say, instead of 14; and boy's size 20 instead of 18.

Mr. Cassidy: But yours is the ministry which can recommend some alternative means of administration, which is what we are talking about; is that not correct?

Mrs. Campbell: Do you ever get together with the Treasurer? It is interesting to me that this previous letter, which was addressed to the Treasurer and which was, I would say, somewhat critical of your ministry was never brought to your attention by the minister.

Hon. Mr. Meen: What is the date on that, just out of curiosity?

Mrs. Campbell: April 25. Do you ever talk these things over?

Hon. Mr. Meen: Yes, particularly at budget time, on matters such as this when the Treasurer is considering various alterations to the taxing statutes.

Mr. Good: He tells you what he is going to do.

Hon. Mr. Meen: We give him the figures of what would happen in terms of dollars if tax were removed in certain quarters and he is the one who makes the determination. I have told you this on a number of occasions. He is the one who makes the determination on the package to go forth at a particular time.

Mr. Chairman: Anything further on sales tax?

Mr. Cassidy: Yes, Mr. Chairman, two other matters. Perhaps the minister can say—when a businessman objects to a sales tax assessment and files notice with the minister, and when the minister intends to reconsider the assessment with a view, possibly, to varying it, what is the procedure now used within the ministry for considering that objection.

Hon. Mr. Meen: What does happen?

Mr. Weiers: The notices of objection come into the retail sales tax branch. There is a group of assessment review officers in the retail sales tax branch who review the objection. They are quite apart and distinct from the other sections of the retail sales tax branch. They get the file from the district office, review the facts of the case, communicate with the taxpayer, arrange for interviews or meet with the taxpayer in his office; they review the assessment and the facts of the case and then come to a conclusion as to the correctness of the assessment.

Mr. Cassidy: Are they acting in a quasi-judicial manner?

Mr. Weiers: They make a recommendation for the minister.

Mr. Cassidy: But are their deliberations meant to be a form of judicial decision?

An hon. member: It is impartial.

Mr. Weiers: It is impartial, yes—but the reply given by the minister can be appealed to the courts.

Mr. Cassidy: Has the minister considered whether an assessment review officer can be impartial when he is an employee of the ministry whose assessment he is reviewing?

Hon. Mr. Meen: That is always a difficulty, Mr. Chairman. In cases like that I think we prefer the rather informal nature of an internal hearing, but that is a matter that might bear some study.

Mr. Cassidy: Could this not be put over into, say another ministry of government to have that kind of review carried out?

Hon. Mr. Meen: It wouldn't be the first time something like that had been done; for example, assessment appeals have been adjudicated upon by someone in the Ministry of the Attorney General.

Mr. Cassidy: Precisely.

Hon. Mr. Meen: This sort of thing is perhaps appropriate. It is something we will be looking at.

Mr. Cassidy: I believe it is the case, too, that the appellant doesn't know all of the things that necessarily come before the assessment review officer. Is that correct?

Hon. Mr. Meen: Gosh, I don't know if that is the case. Mr. Weiers, Mr. Cassidy was asking if the appellant does or doesn't know all the matters that come before the assessment review officer. I think he would have the opportunity to know all the matters pertaining to his case.

Mr. Weiers: Yes, he would have every opportunity. In any case, he is represented by his legal counsel.

Mr. Cassidy: He can have counsel?

Mr. Weiers: Oh, yes.

Hon. Mr. Meen: Oh sure. You describe it as quasi-judicial. I suppose it is in that sense.

Mr. Cassidy: It really is.

Hon. Mr. Meen: Well, in a way; it doesn't have all the formalities of a court hearing, though. It is a rather informal sort of thing.

Mr. Cassidy: The director says that it can be appealed to the Supreme Court, but the problem is that you have thousands of these objections lodged every year, and it is meant to be a relatively accessible process.

Hon. Mr. Meen: Which means it should be relatively simple; you shouldn't have imposed on you all the rules of court and the rules of evidence. I would presume, if it were appealed to a court of law, that a court of law would hear it ab initio.

Mr. Cassidy: But the problem is that if it is appealed to the court of law, the costs of so doing are heavy; therefore, it is desirable to combine that informality with a certain independence from the minister that—

Hon. Mr. Meen: Well, that's kind of nice, but you are trying to have your cake and eat it when you are combining informality with the rules of law, the rules of court and the rules of evidence. I don't think you can have the two together.

Mr. Cassidy: No, just by getting the tribunal away from the ministry, the assessment review tribunal—

Hon. Mr. Meen: That's why I say it wouldn't be the first time we had decided to take over some kind of action and have it adjudicated under another ministry. That is something I think we could look at.

Mr. Cassidy: You are looking at it, okay.

The fourth point I want to raise is in the same area. There have been difficulties in the last year or two of subcontractors working for the federal government in Ottawa not being able to get sales tax exemption from the province when materials purchased by the federal government for its own account for similar kinds of work—for construction, for example—were exempt. I don't know whether this matter has been satisfactorily resolved or not.

Hon. Mr. Meen: I am not sure that it has been satisfactorily resolved either. I think they are not entitled in some of these cases. I think it is a matter of when title vests and whether it does vest before incorporation into the structure, as to whether tax is payable or not payable.

Mr. Cassidy: I know how dedicated the government and the ministry are to the cause of small businessmen; that surely includes small contractors and people like that. If it is a large contractor who deals regularly with government, he may know how to work bids so that title to the materials used in the subcontract never passes into his hands but is bought by the government. It's the smaller people who have difficulty making that work. Would it not be possible to have an arrangement whereby a subcontractor whose materials become incorporated in a federal purchase, such as construction, can get the exemption and get a rebate?

Hon. Mr. Meen: I really don't know how we would work that without shooting holes right through the Act. If he has bought it and title has passed to him, he becomes a consumer who puts those pieces of merchandise into the building and he will have paid the tax as the retail consumer. Just because his customer eventually is an entity which would otherwise not be subject to tax doesn't mean that he, in providing these goods, would not be subject to the tax. If he did his estimating correctly, he would incorporate that figure into his contract price.

Mr. Good: Can the customer ask for a rebate, the same as a church in Ontario, from the federal government?

Mr. Young: I think so, under those circumstances.

Mr. Cassidy: Can the minister see the problem? For one thing, if a federal department is considering whether to make or buy and it is a piece of construction it is considering; on the make side it uses some labour but it doesn't pay sales tax on the materials required, on the buy side it uses a subcontractor's labour. But the subcontractor has a disadvantage in that his materials will cost at least five per cent more, because of the provincial sales tax, if there is no pass-through and no exemption.

Hon. Mr. Meen: I can't really offer you an answer without suggesting that in any such circumstances, there would be just no application of retail sales tax. I have no idea of what that would amount to in dollars. It would be a lot of money.

Mr. Cassidy: I don't know what that would amount to either. Do you sit down occasionally with the federal government to talk about this exemption? For example, to suggest—

Hon. Mr. Meen: I haven't. The staff may have.

Mr. Cassidy: Could the deputy minister elaborate on that?

Mr. Crosbie: There has been a committee which meets regularly with the federal government. The problem you are raising came up as a result of a change, I think, which the federal Department of Public Works introduced into its contracts, we understand, to avoid the problems of bankruptcy of small contractors. It put a clause in which says when the contractor delivers the material to the site, title is vested in the federal government so if he did go bankrupt, the federal government would be able to claim it.

On the basis of this vesting provision in the federal contracts it was argued that the property at the time it was incorporated into the contract was the property of the federal government and therefore not subject to sales tax. The courts have ruled differently. The courts have held there is really a bailment in the situation and the sales tax continues to apply.

The answer, I think, to the questions you are raising is that whenever the federal government calls a contract and asks subcontractors to bid on it, they are all bidding on the same basis and they should include sales tax. He is not at a disadvantage vis-à-vis another contractor.

Mr. Cassidy: I see.

Mr. Crosbie: It is true if the federal government went ahead and built it itself with its own labour, there might be an inducement for it to do that as opposed to contracting it out because of the sales tax.

Mr. Cassidy: You believe the situation has now been equalized and those contractors who were avoiding the sales tax have now been caught up by the court decision; is that right?

Mr. Crosbie: Yes.

Mr. Chairman: Any further questions? Mrs. Campbell.

Mrs. Campbell: Flowing from some of the discussion, could you tell me how you start? Somebody wants to claim he should be exempt from tax. What procedures are there? It is not a procedure with which I am familiar. Do they write to you, say? Do they send you a letter of intent? At what point can they no longer send that letter? What is the situation? How do they start? How do they advise you that they are claiming an exemption, having been assessed?

Mr. Crosbie: Having been assessed?

Mrs. Campbell: Yes.

Mr. Crosbie: Then you are under the Act.

Mrs. Campbell: Then do you come to the point where you can't file a letter of intent? Do you simply have to prepare your case, submit it and file it on the basis of all the particulars? So that if you have a claim that goes back two years, what kind of hope have you got?

Mr. Crosbie: If it is over two years—

Mrs. Campbell: You have none.

Mr. Crosbie: None.

Mrs. Campbell: But within the two-year period, it goes back—

Mr. Crosbie: If you file the claim now, then we have something to deal with. Your claim is in; the fact that it is not settled until after the two-year period doesn't disqualify—

Mrs. Campbell: Right. What does your claim consist of, in the separation of documents?

Mr. Crosbie: Some reasonable evidence of the nature of the claim. I don't think we could accept a letter that says, "I think I have a claim on this contract or in respect of some goods I bought a year ago."

Hon. Mr. Meen: "I'll send you details later."

Mr. Crosbie: I think we would want sufficient evidence to at least indicate the general nature, the quantity, the circumstances of the claim.

Mrs. Campbell: But then they are not precluded or stopped from providing further information as you proceed.

Mr. Crosbie: No, no. In fact this may come out in the normal assessment discussion. We may reject certain information and they may bring in other information to further substantiate their case. I wouldn't want to suggest that you could claim on one item and then enlarge that claim to pick up every other item that may have been associated with it.

Mrs. Campbell: That isn't what I had in mind. I assume that you just don't have to file such complete details that you would be stopped from giving further information in support—

Hon. Mr. Meen: Or in the alternative, that would be a good way to describe it.

I would say as long as you made a prima facie case in the basis of the evidence that you submitted, you could certainly come along with supplementary information later. But it is the person who simply writes in and wants this to be a sort of letter of intent to say, "Look, I am busy reviewing all these files back X number of years and I want to let you know that I will be filing something with you in the next couple or three months." That is not satisfactory.

Mrs. Campbell: Why isn't it, when you get in the federal Sales and Excise Act the opportunity to file a letter of intent if, in fact, you don't have to prepare your complete documentation to put to you in the first instance?

Hon. Mr. Meen: Simply because they accept a letter of intent does not mean that we should, Mr. Chairman. We are asking for a prima facie case to be made.

Mrs. Campbell: And it is understood that that is all it is?

Hon. Mr. Meen: That is my interpretation of it.

Mr. Chairman: Shall this item carry?

Mr. Good: First of all, the problem that I mentioned during the passage of the amendments to the Sales Tax Act regarding exemptions on rental equipment, the over complicated procedure; has that been resolved yet? Has a simplified procedure been worked out? I think at the time the minister—

Mr. Crosbie: We have a new type of purchase exemption certificate that will simplify this. It is a problem we have discussed with a number of associations—

Mr. Good: Rental agencies.

Mr. Crosbie: —rental people, and we have a simplified form coming out.

Mr. Good: You are—

Hon. Mr. Meen: This is the case where the ongoing basis—

Mr. Crosbie: Yes.

Mr. Good: The other question is, what are the other taxes under vote 5?

Mr. Weiers: Racetrack tax.

Mr. Good: Racetrack tax, eh? How much revenue is expected this year from this? Is it seven per cent?

Mr. Evans: Before you get on to the racetrack tax, could I ask a question on sales tax? It is my understanding that farmers are exempt from sales tax if they build a wooden barn and they buy all the materials but if they buy a metal barn, like a quonset barn, they have to pay the sales tax. Is that true?

Mr. Crosbie: No, I think they are both taxable.

Mr. Evans: For a barn, on a farm—or for a shed or something like that, it is taxable?

Mr. Crosbie: Yes.

Mr. Evans: So a quonset building would be taxable as well?

Hon. Mr. Meen: Who was asking about the racetrack tax?

Mr. Good: Yes, I just wanted to know what the other taxes—

Hon. Mr. Meen: For the year ended March 31, 1975, we collected \$34,081,867.

Mr. Good: How does that compare with other years?

Hon. Mr. Meen: The previous year, \$28,-665,000; the previous year to that, for 1973, \$24 million. We went up \$4.6 million from 1973 to 1974; we went up \$5.4 million in the last year.

Mr. Good: It is five or six years since you increased the handle on that take, isn't it?

Hon. Mr. Meen: It's seven per cent of the take—is it seven per cent?

Mr. Good: It is time you took another look at that tax.

Mr. Chairman: Mr. Cassidy.

Mr. Cassidy: I was just saying it is a lot healthier than tobacco.

Mr. Breithaupt: Fresh air is better.

Mr. Good: Of that, I think \$1.8 million goes back in breeder awards.

Mr. Chairman: Mr. Riddell.

Mr. J. Riddell (Huron): Just one short question on the retail sales tax. Are road graders purchased by municipalities exempt from sales tax?

Hon. Mr. Meen: We will ask Mr. Gibson, the director of retail sales tax branch. It depends on the primary use, doesn't it, to which the grader is put?

Mr. M. H. Gibson (Director, Retail Sales Tax Branch): It is to anybody using equipment for the construction of capital works, roads, bridges, and so on.

I understand that municipalities quite frequently buy this kind of equipment substantially just for maintenance of roads. Our interpretation at this point is that type of equipment would not be. If it was purchased primarily to construct roads, it would be—

Mrs. Campbell: That's pretty silly, isn't it? How in the world could you ever establish that? Except, of course, you know your municipalities are all honest, so if they say they are only going to use it for major public works, then you don't do an audit anyway.

Hon. Mr. Meen: For capital construction.

Mrs. Campbell: Do you really not think that is pretty silly?

Hon. Mr. Meen: Well, remember the grants that go to the municipalities.

Mrs. Campbell: They are really not that important, if you want to know. Toronto isn't getting that much out of any grant from this government. You are not serious?

Mr. Riddell: If they are used in any way for construction purposes, can they get by without paying the sales tax? Let's face it: Road graders are used predominantly to grade roads, but they are used for construction purposes, for bridges, for the construction of new roads and what have you. How hard are you going to hold the line on this? When a municipality applies and asks for sales tax exemption, are

you going to grant them one on a road grader, or are you going to charge them sales tax?

Hon. Mr. Meen: I don't know whether it is based on a—

Mrs. Campbell: It depends on what district office they are dealing with.

Mr. Gibson: If it was voted exempt, it would be voted under a purchasing order.

Hon. Mr. Meen: Yes, based on the representation of the use to which it was to be put.

Mr. Gibson: That is the way the legislation was written, and it is substantially the same for any other purchaser of any kind of construction machinery. It depends on its primary use.

Mr. Riddell: Well, say a municipality indicates that it will be used for some construction work, then—

Hon. Mr. Meen: That is based on what you say on your exemption certificate, Mr. Chairman.

Mrs. Campbell: I think it is idiocy.

Mr. Riddell: I am not too sure the municipality will be.

Mr. Chairman: Shall this item carry? Carried.
Vote 903 agreed to.

Mr. Chairman: The next page, guaranteed income and tax credit programme. First item, administration.

On vote 904:

Hon. Mr. Meen: Mr. Yurchuk, the director of that branch, is here in case we have any detailed questions, Mr. Chairman.

Mrs. Campbell: The only question I have on this, since I take it that most of it is pretty routine, is how are you working out with those who are entitled, but who do not fall within the federal provisions? What type of procedure is there to satisfy you or a person who has been in this country for a lesser period of time than the federal rules apply?

Hon. Mr. Meen: I think the best way to answer that question—and it is a good question—would be to ask Mr. Yurchuk if he would detail the way in which an application is processed when it is received from someone who is not on the OAS/GIS list that comes from the federal government.

Mrs. Campbell: That's right.

Mr. N. Yurchuk (Director, Guaranteed Income and Tax Credit Branch): What we do, Mr. Chairman, is provide the person with a copy of the Ontario guaranteed annual income form and they return it to us with appropriately filled out sections including proof of age. The form also includes a declaration of their income and a declaration of their residency. The form is signed by the individual and also by the eye witness. These forms are processed by analysts, who review the data as it comes to them, and, on the basis of this information, the application is either approved or not.

Mrs. Campbell: What material do they have to file in support of that? Is it an affidavit or a declaration? I haven't seen one.

Mr. Yurchuk: It's a declaration for their residency.

Mrs. Campbell: It's a declaration.

Mr. Yurchuk: As far as proof of age is concerned, we require a birth certificate, baptismal certificate or some such documentation of that nature.

Mrs. Campbell: But if they are born out of Canada you don't require proof of the date on which they entered the country.

Mr. Yurchuk: There is a statement on the application where they indicate on which date they entered the country. What we would be doing is verifying that on a post-audit basis rather than on a pre-audit basis. We feel that many of these people are in need of this kind of benefit immediately and we don't want to hold up the process.

Mrs. Campbell: I am just a little bothered by the fact that there seems to be a bit of difficulty with a spouse whose husband is on a veteran's pension. She doesn't seem to be able to get the same attention. I have had some complaints. I am not trying at all to bar anyone. It does seem to me that maybe someone, who has been here all this time, should be treated as an individual, whereas someone who comes in and is entitled, because of special provincial legislation, simply seems to get served almost immediately.

Mr. Yurchuk: War veterans' allowances are exempt from income calculations.

Mrs. Campbell: No. They are in your ministry.

Mr. Yurchuk: They are, as well, under the guaranteed income supplement, if I am correct.

Mrs. Campbell: They are not for OHC purposes. This is another funny.

Mr. Yurchuk: Yes.

Mrs. Campbell: No, they are not.

Mr. Crosbie: Ontario Housing Corp.

Mr. Yurchuk: Oh, Ontario Housing, I am sorry, I thought you meant federal—

Mrs. Campbell: But they are exempt for your purposes?

Mr. Yurchuk: They are exempt for our purposes and they are exempt from the guaranteed income supplement.

Mr. Crosbie: At the bottom of this form, there on the left-hand side, it says "do not include."

Mrs. Campbell: Sorry, may I keep this and then I can read it?

Mr. Yurchuk: Surely, by all means.

Mrs. Campbell: But you say then that they simply file a declaration saying, "I entered the country on such-and-such a date," and you don't require any other evidence?

Mr. Yurchuk: In cases where we could have our doubts about the person being on the borderline, we follow the same procedure as the federal government does. We could ask them for proof of entry or this kind of thing, but it is only in borderline cases. But we don't do that as a matter of course.

Mrs. Campbell: How many roughly would you say? Out of all you have processed have you had any, at all, that you have dealt with in this way?

Mr. Yurchuk: I believe I have had, but I'm afraid I can't tell you how many.

Mrs. Campbell: That's understandable. Thank you.

Mr. Chairman: Mr. Young has a question.

Mr. Young: Mr. Chairman, some time ago I talked to the minister and then communicated with him by letter, at his request, about a constituent, an Italian chap, who came to this country some years ago. He is a Canadian citizen and now on old age pension. But because he was getting \$65 a month pension from Italy he was not qualified then for the GIS, and therefore not for GAINS. The result is that his income was \$1,980 which, of course, is well below the GAINS figure. I understand this has been investigated. I am not sure of the outcome.

Hon. Mr. Meen: I don't know whether we got back to you on that, Mr. Young.

Mr. Young: There is a note here. I got the file tonight but unfortunately my secretary had gone. It said Mr. Gatti said he received basic \$123 OAS, plus \$85 supplement. Now if that means that he got the supplement, plus his Italian pension, it brings him to \$3,476.

Hon. Mr. Meen: Then he would be over the top limit of \$2,888.

Mr. Young: Yes, so whether that \$85 supplement means his own pension, plus the supplement of \$20, I don't know.

Hon. Mr. Meen: It would be we who would be making it up though.

Mr. Young: I was just wondering whether that policy has been straightened away so that a person in that situation is able to receive the difference between his Italian pension and the supplement, and then get GAINS on top of that.

Mr. Yurchuk: Yes, it has.

Mr. Young: That has been straightened away?

Mr. Yurchuk: Yes, it has.

Mr. Young: So this matter is now clear? Thank you very much.

Hon. Mr. Meen: We should have got back to you though.

Mr. Young: It may well be that you did, but it is not here in the file. It may have been a phone call and not noted.

Hon. Mr. Meen: Maybe we did. Maybe we got back to you, I don't know.

Mrs. Campbell: I had one similar to that.

Mr. Young: I'll find out tomorrow what happened on it.

Mr. Chairman: Anything else on administration?

Mrs. Campbell: You say that that is now clarified. I have one from a German woman; I am trying to get further details. She gets a pension from Germany. I think she said it was \$85 a month.

Mr. Yurchuk: That would count as income, just as anyone here.

Mrs. Campbell: Of course.

Mr. Crosbie: It doesn't disqualify her automatically.

Mr. Yurchuk: No, it just depends on the amount.

Hon. Mr. Meen: It depends on how much it is.

Mrs. Campbell: I think it was \$85, and I would have thought she would have been entitled to the difference. You say now that she is entitled, all things being equal?

Mr. Good: GAINS is included in the pension.

Mr. Chairman: Shall item 1 carry?

Mr. Cassidy: Mr. Chairman.

Mr. Chairman: The next is transfer payments.

Mr. Cassidy: On item 1.

Mr. Chairman: Mr. Cassidy.

Mr. Cassidy: I just want to ask, how much is left to spend on promotion of the Ontario home buyers grant? How many people have applied, and how many grants have been given up to now?

Hon. Mr. Meen: Well I don't know whether the home buyers grant is even under this 904.

Mr. Cassidy: It says so in the notes.

Mrs. Campbell: Yes.

Mr. Cassidy: That is what is says. You are the minister.

Hon. Mr. Meen: And also the administrator of the home buyers grant programme, okay.

Mr. Cassidy: I mean if you chose the singing commercial, can you sing your answer to this?

Hon. Mr. Meen: No—I mean I won't.

Mrs. Campbell: Getting hoarse yet.

Hon. Mr. Meen: Yes, I am getting hoarse even. I have no idea how much of that is spent. The programme goes on for some while yet.

Mr. Cassidy: Do you intend to continue advertising in the fall or will it wind up this spring?

Hon. Mr. Meen: It will wind up this spring, Mr. Chairman. I would expect by the end of June the programme will have concluded—the current advertising programme, anyway.

Mr. Good: Of the 20,000 or more inquiries that the Treasurer said you had in the first two weeks, how many actual applications were received, and how many grants were given?

Hon. Mr. Meen: Two thousand and something; 2,290 applications as of May 16.

Mr. Good: And how many grants?

Hon. Mr. Meen: How many have we approved for payment?

Mr. Good: Yes.

Hon. Mr. Meen: Four hundred and eighteen.

Mr. Good: That's about what I thought.

Hon. Mr. Meen: You have to remember that that is really—

Mr. Good: Of the 10 people who contacted me only one qualified.

Hon. Mr. Meen: You have got to remember that a lot of real estate agents have been handing out these forms with every deal that was completed, so a lot of people were led to believe that they qualified. When it got down to the details they didn't qualify. It wasn't their first home.

Mr. Good: The be all and end all. The Treasurer and his 20,000 inquiries.

Hon. Mr. Meen: I suppose in large measure that would be the major reason for their not qualifying. Furthermore, the original forms that were sent out did not contemplate the amendment in the Act as to it being your first home anywhere and so we had to amend the forms and send out new ones. We got in a lot of applications which didn't confirm that it was their first home anywhere. It was their first home in Ontario, according to the form as originally prepared. Our figure as of May 16, my staff tells me, includes another 460—remember 418 had been approved as of that date—that would appear to be qualified. So among the 2,469 applications, 878 would appear to be qualified. What's this one that you're pointing to in this line, Mr. Yurchuk?

Mr. Yurchuk: Approximately 568 people filed too early. In other words, they filed before they have actually taken up residence in the housing unit. From the appearance of their application forms, it appears that they would qualify if they would only wait until they actually move into the unit. I think that adds substantially to the number as well, about 568 more.

Hon. Mr. Meen: That is over 50 per cent of the applications then. It is really too early in the programme to tell. I think we'll have quite a substantial number by the time this has moved along to another month or so.

Mrs. Campbell: How do you police those to ensure that this is in fact their first home anywhere? Do you just again accept the fact that they say so in an application?

Hon. Mr. Meen: We will be doing a post-audit on this wherever it's possible.

Mr. Good: They are not going to send the minister off to check?

Hon. Mr. Meen: I was not contemplating going off to Uganda or anything this summer to check.

Mrs. Campbell: I wasn't thinking of that. I was thinking of just somebody with a mobile home someplace outside of Ontario.

Mr. Chairman: Mr. Riddell.

Mr. Riddell: Under the home buyer grant programme, if a young couple anticipate building a home on 50 acres of land which they purchased from their father and future father-in-law, say, but the home will not be completed by the end of this year, will they be entitled to the grant?

Hon. Mr. Meen: I would think not, if they cannot take possession. It must be a building sufficiently completed that they can call it their permanent residence and do so by Dec. 31.

Mr. Riddell: If they take possession, even though there's just the shell of the house there, before the end of the year—

Hon. Mr. Meen: It has got to be livable as a residence.

Mr. Chairman: It would have to have a roof over their heads.

Mr. Riddell: I assume that would not be part of the shell of the house.

Mrs. Campbell: What if it's completed on the inside?

Hon. Mr. Meen: I would say if it's habitable.

Mr. Crosbie: The definition of a housing unit is that it requires certain amenities. The definition of a housing unit in the Act means a unit suitable for permanent habitation, that provides living, sleeping, eating and food preparation facilities for one family with or without other essential facilities that are shared with

other housing units. If they could move into it and take up—

Mr. Good: You don't need sewage or water.

Mr. Crosbie: So long as you can move into it. You can be finishing the interior, and you can finish it one way or another, and close in the roof and make it reasonably suitable for living in.

Mrs. Campbell: And if you had oil lamps, that would be habitable.

Mr. Chairman: The next item is transfer payments.

Mr. Good: I have a question under the GAINS programme, which I think we discussed last year. Can't you give any serious thought to the idea of not taking away dollar for dollar the bit that's left to the pensioner who has a small income?

Hon. Mr. Meen: We have talked about that. Yet if you do that, you just shoot a hole right through the middle of the idea of some kind of threshold.

Mr. Good: Yes, but you have completely destroyed any incentive.

Hon. Mr. Meen: So does the GIS.

Mr. Good: No, it doesn't because the GIS just takes \$1 away for \$2 of income.

Hon. Mr. Meen: And we take the other.

Mr. Good: You take the other one away. Your programme came in after the federal government's and they take away \$1 for every \$2 of income. Then you said: "Okay, you old people, it doesn't matter if you have \$75 investment income a month or \$65 because if you make another \$10 a month, we're going to take that right away from you." That's the way it's looked on. Because if the fact that interest rates were high last year, older people now find themselves with less guaranteed income this year because they had a little bit more then. I'm talking about old people on their last \$10,000 worth of income.

Hon. Mr. Meen: It may be, Mr. Chairman, but those same old people have got more income from their own investments and therefore they need less than the maximum.

Mr. Good: Last year, which affects their GIS for this year. This year they are getting less GIS because of this; consequently, you are taking away the other dollar too. So they end up with less GAINS this year than they had last year—by a couple of bucks.

Hon. Mr. Meen: Our transfer payments to the same group have gone from \$60.5 million in 1974-75 to \$95.7 million as a result of the enrichment of the GAINS programme.

Mr. Good: But that is under all programmes.

Hon. Mr. Meen: That is under the GAINS programme.

Mr. Good: The GAINS transfer is \$95 million?

Hon. Mr. Meen: The guaranteed income and tax credit programme—the whole bit—is up to \$95 million from \$60.5 million. There is a very substantial improvement by enrichment of the GAINS; there is an enrichment of the tax credit programme too.

Mr. Good: My only point is this, you have now destroyed any incentive for prudent money management by old people who are down to the last few thousand bucks of their earnings. They know that is going to disappear completely if they ever have to go in a nursing home or anything else. They say, "The year before last, I got \$600 in investment income, and last year I got \$700; but that extra \$100 I made by putting it in this investment instead of something at a lower rate has now gone to the Ontario government."

Why it works out this way is that the federal government just took away half for half. You should also take away half for half of what is left.

Hon. Mr. Meen: In addition to doing this, with these same people we have enriched the tax credit programme very substantially. So we are not really taking it away.

Mr. Good: Yes, but all people benefit from the tax credit programme.

Hon. Mr. Meen: Yes, but the senior citizens get an extra benefit of \$110 too.

Mr. Good: That is regardless of their amount of income.

Hon. Mr. Meen: It works most to the advantage of those in the lower income bracket who are the beneficiary of GAINS.

Mr. Good: Your programme sure puts money in their hands—I agree; I think that is great. But, as I say, it has now destroyed the little bit of money management ability that these people had before.

Hon. Mr. Meen: I don't disagree with the argument you are making; all I am pointing

out is that once you do that, then you destroy the principle of the threshold and the level to which we are undertaking to bring people up. If on their own basis, on their own income and their own initiative they are able to build up their own income to that level, then more power to them. Look at all those who don't benefit at all from it because they have been frugal in their years; they don't get any help under GIS or from the GAINS programme.

Mr. Good: I would think that the Conservative Party would be the first party that would want to give incentive for good money management.

Mr. Cassidy: No, that is not their policy at all. You know that.

Hon. Mr. Meen: Indeed, I think we are. But the point is, you have got to look at the dollars; look at the increase here alone from \$60 million to \$95 million. That is more than a 50 per cent increase.

Mr. Good: That is because you instituted the other \$100 programme.

Mr. Chairman: Anything further? Mr. Riddell.

Mr. Riddell: If one member of a married couple, both of whom are senior citizens, has to be admitted to a nursing home because of a disability such as blindness, would that person then be eligible for the GAINS programme, even though the other member of the couple had, say, \$10,000 in the bank?

Hon. Mr. Meen: It is not a matter of assets; it is a matter of income.

Mr. Riddell: Well, there is going to be interest on that \$10,000.

Hon. Mr. Meen: At seven per cent, that's only \$700.

Mr. Riddell: But let us say his income exceeds \$2,880. I mean, can they be treated as separate people because they are living apart from each other?

Hon. Mr. Meen: I think the answer is yes, but Mr. Yurchuk will clarify this.

Mr. Yurchuk: They may be treated as individuals for purposes of this programme as well as, I believe, for the federal programme but they have to be actually separated. We term it involuntary separation where one spouse goes into a nursing home permanently due to illness or whatever reason, and they are considered

as two separate individuals for purposes of payment.

Mr. Riddell: I knew that this was working in some instances, but not too long ago I brought to your attention a couple in this very same situation. The letter that came back said, no, they couldn't be treated as separate individuals and they had a bank account of \$10,000. Well, the story I get is that he's got a bank account of \$10,000—she hasn't got it—but they are living apart from each other. She's in the nursing home; has to be because she's totally blind and he's unable to look after her.

Hon. Mr. Meen: Did I write you back?

Mr. Riddell: I received a letter back from one of your officials. I'm not sure who it was.

Mr. Crosbie: Are you sure it is one of our programmes?

Hon. Mr. Meen: It sure doesn't sound like ours.

Mr. Riddell: Yes.

Mr. Crosbie: Because we are not based on assets at all. I just can't imagine a letter going back that way. If you were saying an income of \$10,000, that would make more sense, but it would still be wrong.

Mr. Good: Sounds like family benefits.

Hon. Mr. Meen: The GIS probably.

Mr. Riddell: I'll have to look up the letter; But I know it was the GAINS programme I was looking into at the time.

Mr. Chairman: Maybe you could check.

Mr. Riddell: Yes, I'll check on that later.

Mr. Chairman: Mr. Cassidy.

Mr. Cassidy: Is the minister aware at what age the income of \$212, or whatever, is payable in British Columbia?

Hon. Mr. Meen: I'm sorry. Say that again.

Mr. Cassidy: Does the minister know at what age the minimum income is payable to pensioners in BC?

Hon. Mr. Meen: I don't know, is it age 60 out there?

Mr. Cassidy: It is age 60. Is he aware of the kind of hardship that is created under the Ontario system in situations where a person passes into retirement and his spouse—or her spouse—is below the age of 65?

Hon. Mr. Meen: No, I don't know the kind of problem you are talking about.

Mr. Cassidy: Can you imagine the problem, then, when somebody's income goes down to \$212 a month or thereabouts, with nothing at all to supplement it until the other spouse reaches the age of 65? Doesn't the minister think something should be done about that?

Hon. Mr. Meen: I've said this earlier, it's a matter of dollars. What we have here is a rather modest make-up from OAS-GIS to our guaranteed level. A very substantial part of the total of the transfer payments under this programme goes to those who are the blind and disabled—in the neighbourhood of 37,000 to 38,000 in number. If we were to drop from age 65 down to age 60 to pick up the cases the member for Ottawa Centre is talking about, Mr. Chairman, I believe it would be a very substantial number of dollars—I have no idea as to the amount—that would be required to fund that part. There would then be no money making up the very substantial bottom part of it, available under OAS-GIS. We'd be making it all up, just like for the 37,000 or 38,000 we presently are looking after in the blind and disabled category.

Mr. Cassidy: Well, bearing in mind that most people of that age are working, and bearing in mind that if you do it, you do it a year or so at a time rather than taking it all in one—

Hon. Mr. Meen: What did BC do? Did they do it all at once?

Mr. Cassidy: In BC it was done all at once. They did it very quickly there, and I would hold up that example to this province as well. But if you can't afford to do it that way—or if your priorities don't permit you to do it that way—it seems to me—

Hon. Mr. Meen: Of course they spent the nest egg they inherited from the Socreds.

Mr. Cassidy: They've been running surpluses since they got elected.

Mr. Evans: That is a big laugh.

Mr. Cassidy: That's true. I am just asking the minister, why is it the rich Province of Ontario always has to be dragged kicking and screaming into these programmes? Why do you now say so proudly to Mr. Good: "Look at the extra money we are spending"; when you consider the amount of effort that had to be expended from our side of the House to get the Ontario government to take any action at all in Ontario?

Hon. Mr. Meen: I must say I hadn't noticed any effort from your side. We were proceeding with a very vigorous programme to assist the elderly, and I think we've done rather well. Certainly at this stage, with our balance of priorities, we haven't been prepared to take it down to the age of 60. But I would suppose that Treasury and Economics are looking at the various alternatives for assistance of the

elderly. The citizens of 60 and over, left in circumstances such as the member for Ottawa Centre describes, might be an area they would want to look at.

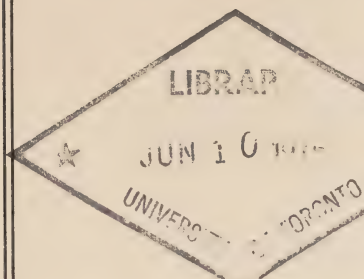
Mr. Chairman: Any further question to this section? It is agreed to then.

The committee adjourned at 10:30 o'clock, p.m.

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ESTIMATES, MINISTRY OF REVENUE

Standing Miscellaneous Estimates Committee

Chairman: Mr. T. A. Wardle

OFFICIAL REPORT — DAILY EDITION

Fifth Session of the Twenty-Ninth Legislature

Thursday, May 22, 1975

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

THE QUEEN'S PRINTER
PARLIAMENT BUILDINGS, TORONTO
1975

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Daily index of proceedings appears at the back of this issue. Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff (Phone: 965-2159).

LEGISLATIVE ASSEMBLY OF ONTARIO

THURSDAY, MAY 22, 1975

The committee met at 3:19 o'clock, p.m.

ESTIMATES, MINISTRY OF REVENUE (concluded)

Mr. Chairman: We will call the committee to order.

We have Mr. Jessiman today substituting for Mr. Hamilton and we have Mr. Good, when he comes, substituting for Mr. Paterson. We have both of those in writing.

Now we have the last section, page 84, and the first item is administration. Mr. Young.

On vote 905:

Mr. F. Young (Yorkview). Mr. Chairman, in connection with the assessment programme. For a long time we have had this whole matter under review and I understand from the minister that we're hoping to have this thing fully activated by 1977, is it?

Hon. A. K. Meen (Minister of Revenue): By 1976 for the taxation year 1977.

Mr. Young: By 1976 for 1977. So that by 1977 it will be under way.

Hon. Mr. Meen: Yes.

Mr. Young: I was quoting a press report the other day when I said 1978.

Hon. Mr. Meen: Were you? I wondered, because I hadn't seen that error.

Mr. Young: It was the Globe and Mail.

Hon. Mr. Meen: It's the kind of thing I would like to try to dispel. Can you tell me the day of that particular report?

Mr. Young: I'll check on it. It's here somewhere. I can get it for you in a moment.

Mr. M. Cassidy (Ottawa Centre): It's so long it doesn't really matter, 1977, 1978, 1979, 1980.

Mr. Young: It's been going on forever.

Mr. Cassidy: How long, O Lord, how long?

Mr. Young: However, I'll get that for you and give you the clipping. But I think along with this whole matter of getting stability into

assessment from the basis of 100 per cent, if that is possible, there is the matter of discussion of a different way of assessing than the mill rate. And I quote from the Globe and Mail, March 28, 1975, when Mr. Gillis—a good Cape Breton name—is quoted as saying that: "The provincial department has under study various alternatives to the traditional basing of municipal taxes on the mill rate system."

I wonder if the minister wishes to comment on that, and tell us just what these new and more scientific methods might be—and what we might expect in the way of results.

Hon. Mr. Meen: I think the best way, Mr. Chairman, is if Mr. Gillis, who is here with us, would like to defend himself—if I can put that in quotes.

Mr. Chairman: Mr. Gillis?

Mr. P. G. Gillis (Executive Director, Municipal Assessment Division): There is some objection to the traditional mill rate system in that it's not readily understood by ratepayers, and by others, who receive tax bills and assessment notices at a different time and can't quite equate the moving from the assessment to, ultimately, the tax bill.

When Mr. Grossman was Minister of Revenue he asked that the whole matter be reviewed to see if there was any opportunity to come up with a system that would be more readily understood by the taxpaying public. That was made a part of the total review that's being made with respect to tax policies, and what have you, that will emanate when the evaluation material is turned over to the Ministry of Treasury and Economics, starting in July of this year.

Mr. Young: Is there anything definite on the whole matter of an alternative?

Mr. Gillis: No.

Hon. Mr. Meen: No.

Mr. Young: Any suggestions that are being seriously considered?

Mr. Gillis: No, the only suggestion being seriously considered is to come up with something that is more meaningful and more readily

understood. But whether or not that can really be achieved, we're not sure yet.

Mr. Young: Has there been any serious consideration of the burden which is now being borne by property taxes being shifted, in a realistic way, to income tax?

Mr. Gillis: No, I'm not sure that there is. That would be strictly Treasury's part in this study, and we are not aware that there—

Mr. Young: You're not in on that sort of thing?

Mr. Gillis: No.

Mr. Young: But would you not be in a position to make recommendations along this line?

Mr. Gillis: We make recommendations with respect to the apportionment of the taxes among the various classes of properties in the municipality, and developing the material and the data, statistically and otherwise, that will indicate the relative amounts of municipal revenue that will be borne by each class. And to that extent, that would indicate whether the burden is getting more onerous for householders, than it is for commercial and industrial, or other classes of property. That's as far as we got.

Mr. Young: I see. There is some realization then that the kind of property taxation we have is not the fairest, and that income tax would be a far fairer system of taxation?

Hon. Mr. Meen: That's not necessarily the case, Mr. Chairman.

Mr. Gillis: I think the other way to explain it perhaps, Mr. Meen, would be that there is the realization that property taxes are a regressive method of taxation. But as to the other part of your statement, not necessarily so.

Mr. Young: So there is no real move toward shifting the burden then to income tax and ability to pay and so on?

Mr. Gillis: Not that we're aware of.

Hon. Mr. Meen: The study presently ongoing is to take the figures we have developed now in Revenue for market value assessment and determine how they can be used as a market value assessment basis with appropriate adjustments in either those figures or in the mill rates applicable to them, so there will not be a shift of the tax burden from the industrial-commercial sector on the one hand to the residential sector on the other. We also know that within the residential sector, to name one, there would be a pretty dramatic shift in the tax burden in some quarters—if we were to

suddenly take all of them to market value immediately.

That's the kind of study that is ongoing right now. Whether there is any other programme to lighten the tax burden on real estate and impose a higher tax burden ultimately on the taxpayer as an income tax payer, I am not in a position to say. But you must recognize that we have already in place things like the Ontario tax credit programme where the tax credit flow back is intended to be, and is, geared inversely to income. So it is income-related, too. That helps to overcome the suggested regressive nature of property tax. That is only a part of the whole picture, of course.

Mr. Young: What the minister has just said answers another question in our minds. The danger, with the reassessment, of the shift of burden to the homeowners.

Hon. Mr. Meen: We certainly recognize that danger; we have recognized it since 1968. I can remember the city of Toronto coming to us—I think the member for St. George was one of the delegates—to tell us—

Mrs. M. Campbell (St. George): I was.

Hon. Mr. Meen: —in the early summer of 1968, before we took our travelling road show around Ontario, to tell us of the tax burden shift the city of Toronto's analysts determined would have occurred in Toronto were we to go to market value without appropriate factors applied either to the assessment figures or the mill rates. It is that kind of study that will be ongoing with the joint committee over the next year to 18 months.

Mr. Young: So the assurances we have been getting are genuine assurances? And now that we have a new ministry and everything is working out fine that shift will not take place?

Hon. Mr. Meen: I have been endeavouring wherever I have gone, Mr. Chairman, to give that kind of reassurance. That's precisely the reason for the delay.

If we were to simply put market value assessment in place without suitable studies and without this kind of adjustment which I am certain will have to be made in the various municipalities—whether it is a consistent figure that we see in 833 municipalities or whether it is tailored to each one of them; that is again part of the study—we would see some shifts we would not want. There is no way that is going to happen.

Mr. Chairman: Anything further on item 1, page 84? Mr. Good? Mr. Cassidy?

Mr. E. R. Good (Waterloo North): I'll just wait for municipal assessments.

Mr. Chairman: All right. Mr. Cassidy.

Mr. Cassidy: I think the place to raise this is under administration, Mr. Chairman. My reservations on assessment leave me rather concerned about the situation. I want to share my concerns with the minister and then perhaps get him to respond on the part of the department.

I think there is a serious morale problem among the 1,400 to 1,500 assessors who are working for the Province of Ontario. I think a great deal of that problem must surely come from the political direction they have been getting and from the repeated delays in the market value reassessment programme which, as we know, began in 1970.

At that time people were enthusiastic. They saw a challenge in what they were being asked to do. It was hoped, I guess, that the programme would be done within a couple of years as all other effective reassessments done recently in jurisdictions that I have looked at have been done. You do it in 18 months or you do it in two years, but you get it done; you get it out; it is up to date.

Hon. Mr. Meen: Could you give me an illustration, Mr. Chairman?

Mr. Cassidy: Sure.

Hon. Mr. Meen: Just what other jurisdictions of like magnitude to Ontario accomplish something like this in a couple of years in the face of a rising market? I would like to know what ones.

Mr. Cassidy: The ones I have are not directly comparable, they're in the Maritime provinces and they are smaller jurisdictions. But they're also jurisdictions which obviously have fewer people engaged in the reassessment. I understand in the western provinces of Canada they have royal commissions on reassessment. They're at the early stage, but all the experts seem to agree; that is, you're going to do it—

Hon. Mr. Meen: Have you talked to your friends in BC?

Mr. Cassidy: I believe they have a commission there, but they haven't got—

Hon. Mr. Meen: They were starting it and they put it off, I am advised.

Mr. Cassidy: They put the royal commission off?

Hon. Mr. Meen: No, they put off the whole aspect of going to market value because, I

guess, of this rapidly increasing market. Maybe they picture a period of time like the one we're going through.

Mr. Cassidy: The morale problem isn't only in connection with that. From what I understand, it was hoped the 1972 market value assessment, which is the benchmark from which you hope to move, would be done within a couple of years. As I recall, we were going to get it in late 1974 for 1975 use, until the delays set in. I understand, the delays have been not only for political reasons, the fear of what would happen with an outraged public going into an election with the relatively new assessment rolls.

Hon. Mr. Meen: Actually, that didn't even enter the picture.

Mr. Cassidy: It certainly did.

Hon. Mr. Meen: The problem was we couldn't get it finished and do the analysis in order to apply appropriate factors to this, just as I was outlining through the Chair to Mrs. Campbell. I would dearly love to have had it in place in the fall of 1974 for the taxation year 1975.

Mr. Cassidy: One of the purposes of this committee is to look at the administrative workings. As I understand it, as recently as this winter there were assessors fanning out across the province to help clean up the initial reassessment to 1972 values in places such as Thunder Bay, London, Ottawa, and Dryden. The people who originally began as young lions or young tigers have been working in the dark all that time. That's affected their morale and frankly it affects mine, too, in looking at this ministry because I don't know, as an elected representative, what on earth is going on there. The normal checks and balances that would apply on most aspects of the bureaucracy simply have not applied in any way in this \$44 million programme of municipal assessment.

Virtually all the work the assessment people have been doing has been done behind closed doors, and has been dedicated to creating this file of information which will not be given to us until some time in 1976. In the assessment review process the courts, the OMB, the county courts and so on have become increasingly idle because they are only dealing with the fields relating to the old assessment and obviously not to the frozen assessments. There has not been a continuous, traditional and quasi-traditional review of the work being done by the assessors. Nor do they know what reaction they are having from the public about the accuracy and efficiency with which they're

working because they're not relating to the public in any way. When my house was reassessed—I don't know when it was done—I was not told what the 1972 assessment of that property would be, nor were any of the other 2½ million property owners across the province.

In addition, as I understand it, more recently the ministry has decided to put its resources away from the actual work of assessment in order to worry about the coding of the information already selected. Once again, you will recall that it's a \$44 million per annum programme. You get about 1,400 assessors and it costs you about \$30,000 per year to maintain an assessor in the field, pay his office and transportation costs, pay for the support staff and supervision to keep that fellow working. There have been no public results from that work.

Now, as I understand it, the work itself has suffered badly and has been brought almost to a halt because of the coding programme. These assessors, who are skilled people, trained at community college level, some with 10 or 25 years' experience at the municipal level before they came to work for the province, have been diverted to coding and putting information into the computer from the appraisal records about the residential properties across the province. That is for the purpose of the computer programmes that are intended to update market value assessment from 1972 to 1975 or 1976 or wherever the new assessment rolls are to be done.

In other words what you've done is take these people, who cost \$30,000 a year to maintain, and you've turned them into very high priced computer clerks and nothing else. Some of them have been doing it for weeks. Some of them for months. In certain cases there have been assessors who have been doing this work for as long as 10 months. That is from last July until the present. It is clear that that is an influence in the frustration felt by assessors and contributes to their feeling that it just ain't worth the candle. I think if I was an assessor, and hadn't been out in the field for months, I would feel very frustrated by this whole situation.

I understand, as well, that the clerks—the support staff who earn perhaps half as much as your assessors—were specifically excluded from coding the appraisal records for residential properties, despite the fact that it should be relatively simple to take clerks and, with proper supervision, have them handle this kind of information. It is not that difficult to take a look at appraisal records for three-bedroom and four-bedroom suburban bungalows or for older properties in the heart of a city or town

like Ottawa, Cornwall, Port Hope, Toronto. It is not that difficult for that information to be brought in. For certain more difficult properties, the mansions of Rosedale or Don Mills to be—

Mrs. Campbell: The what?

Mr. Cassidy: The mansions of York Mills, I mean. These could be handed over to assessors whose skills may be needed. But most of this routine work could be handled, on a routine basis, by people who are paid to do the routine support jobs.

Hon. Mr. Meen: What would you do with the assessors then? Fire them and rehire them later?

Mr. Cassidy: No, I will tell you what I would do with the assessors. In the first place I would have a programme to get this information out to the public as quickly as possible and you haven't got that. In the second place, it seems fairly clear, since no jurisdiction in North America has succeeded in doing it, that your market value assessment of commercial and industrial property is going to have to be done manually rather than by computer techniques. You can't computerize the Toronto-Dominion Centre and somehow come up with the value today on that property without so much as a judgement call on it, that you wind up having an assessor and a couple of senior people making a decision about the current market value assessment of the building. That's true in most of the—

Hon. Mr. Meen: Yes, and I would agree with you. You understand we don't propose to code them.

Mr. Cassidy: You don't propose to code them. Then if you wanted to accelerate the market value assessment programme you would transfer your assessor's resources over to that particular side of the operation in order to speed it up—in order to bring the information out as quickly as possible.

As I understand it, the ministry doesn't intend to bring out the residential assessment rolls until the fall of 1976. The minister nods, okay.

As I understand it, too, there has as yet been no intention expressed of changing the 28-day appeal period for assessments. That means that people will be confronted, after five or six years of frozen assessments, with a new assessment. It may be five or 10 times the existing assessment on their house or on their property. There will be open house sessions, which the ministry has promised. There they can find out what it is all about.

To find out what it's about, understand it and get a feeling as to whether the ministry has been accurate and fair in the assessment of my particular property—and that's repeated 2½ million times—within 28 days is clearly unfair.

Hon. Mr. Meen: Actually it's the matter of the filing of the appeal within that period. The time within which the information—

Mr. Cassidy: This creates informational problems for many people. They may not know that they can file within 28 days. They may not meet the deadline. They may be stuck with an unfair assessment.

Hon. Mr. Meen: Without knowing too much about it, I would say I have some concern myself on that point.

Mr. Cassidy: Okay, we'll return to that. I just wanted to get the whole matter on the record and then the minister can respond.

At any rate if you could even bring the publication of those assessment rolls forward, from the fall of 1976 to the spring of 1976, so that people have nine months in which to mull it over, learn about it, file their appeals, have the appeals heard and that kind of thing, it would be a better kind of system. The assessment review courts will go from almost no work to a situation where they could, if only 10 per cent of the house owners of the province appealed, face a quarter of a million appeals within the course of only two or three months.

Well, those are the kinds of concerns that I have, Mr. Chairman, about what has been happening in the assessment process. For \$44 million a year, we are buying a pig in a poke. We don't know what is happening there. We don't know the quality of the work. The people who work within it are frustrated, and their morale is low. They are being made to do the work with computer inputs when they should be either out assessing, or applying their expertise in the specific area of commercial and industrial properties which you can't handle by computer techniques—and which the minister admits cannot be handled in that way. The people who work within the system do not have the satisfaction of seeing their work and seeing that it is reviewed and found satisfactory; or of finding out what errors they may be making, and having a self-correcting process of review by the assessment appeal process.

Hon. Mr. Meen: One thing, Mr. Chairman, I didn't intend to suggest that no commercial or industrial property would be in the computer process. I am just indicating that unusual

commercial or industrial buildings, e.g. the Toronto-Dominion Centre, would probably not be appropriate to put into the computer, as they would tend to distort the other figures in the computer. I suppose it is likely there would be some residential properties that properly wouldn't be placed in the computer because they would be unusual in their nature, and would distort figures if they went into the computer, either upwards or downwards. So they would be segregated out of the normal sorts that would be put into the computer for calculation purposes.

So for the record I just want to indicate a lot of industrial and commercial property will be included in the computer analysis work.

Mr. Cassidy: Other jurisdictions, like California, have made the computer system work in areas where there is a fairly high turnover of properties, as you have in the residential areas. I am not questioning that. I do question the use of the assessors as coding clerks to put information in, when a short training course could have enabled the support staff to do that kind of work.

Hon. Mr. Meen: I don't question either that there may be some highly trained assessors today doing work of a lesser requirement than their training merits, but the alternative is to hire others and let these people go, and then rehire them at a later time. Or perhaps—and I would ask Mr. Gillis to answer this in greater detail—perhaps wherever possible we could move them laterally into other work of an assessor nature—let us say provided they are fully trained, for commercial-industrial assessment work, if they were previously trained and expert in residential assessment.

Mr. Cassidy: What does full training mean actually?

Hon. Mr. Meen: I really couldn't tell you what the complete training of a property assessor 3 would be, but I believe that is one illustration of a property assessor who does have expertise in the industrial-commercial sector as well as in the residential. But there are property assessors of lesser qualification than that who don't have full qualification through the full range of all properties.

Perhaps Mr. Gillis, if the member for Ottawa Centre has—

Mr. Cassidy: Could the minister comment on the morale problem? Is it serious? Maybe I could bring to his attention—

Hon. Mr. Meen: It may well be that there is some morale problem among those who are not using their training to the full—until we

can get through this period. I would hope we get through the period in the next 12 months so that then they will be back, as many as possible anyway, doing the full nature of the work for which they are trained.

Mr. Cassidy: How long?

Hon. Mr. Meen: Well, we are trying to get it done as quickly as possible. I would dearly have loved to have had it—

Mr. Cassidy: You have taken seven years. You have botched it, you have blown it.

Hon. Mr. Meen: No, we have not botched it, nor blown it.

Mr. Cassidy: Sure.

Hon. Mr. Meen: Yes, Mr. Gillis?

Mr. Gillis: In the first instance, it's not true to say that we are doing the same thing as they do in California or the American states. In California and other American states they use the computer to apply their cost manuals, and the computer is programmed to do the work of a clerk, not the work of an assessor. The way we are doing it is by regression analysis. The computer is not being used to create the replacement costs for a structure; the computer is being used to analyse sales so that by the regression analysis, the application of formula, the eight or nine important considerations by buyers are isolated and priced. Then the assessor uses these to value all the properties. The people in California say we are three to five years ahead of their programme, in that area.

Mr. Cassidy: It's nice that they can know that, because we, the public here, can't know that.

Mr. Gillis: That's the first aspect. Secondly, assessors must be used for the coding, for the simple reason that that is what's being achieved. You cannot train the clerical staff to recognize the important ingredients that are produced by regression analysis, to have them placed properly and to make sure that they are in such a form that the computer does, indeed, through its programming, recognize this.

Mr. Cassidy: Can you explain that a bit more? What is actually coded? Say, you've got a three-bedroom bungalow in Scarborough?

Mr. Gillis: There are 55 data elements coded with respect to bungalows.

Mr. Cassidy: Can you give me some examples of what is coded?

Mr. Gillis: Number of bedrooms, square foot area, location, the value of the site, the kind and quality of construction, the sale price, if any, and the modifications necessary to equate each one of those properties with the other properties that are being considered, where no sales have taken place for a particular kind of property, and so on.

Mr. Cassidy: All that information is put down in the appraiser's report when the appraiser goes out?

Mr. Gillis: No, that was the problem. The appraisal reports that were used, were developed for a cost manual system. Some of this information was put on in such a form that it could not be easily read and understood, except by a person trained in appraisal work.

Mr. Good: Could I ask a question on this point?

Mr. Cassidy: Sure.

Mr. Good: All right now. On your cost analysis by computer, you mentioned there were nine components there. The size of the mortgage and the terms of the mortgage and all these things would have to be taken into consideration before you came up with your final "selling price" of each property. Now, what are those things relating to the sale, other than, say, the size and terms of the mortgage, that will affect that property?

Mr. Gillis: In any sale price the down payment is noted and then the first and subsequent mortgages. If, for instance, there's more than one mortgage, it is not considered to be typical financing. The second and third notes must be discounted to represent market value.

In other words, you have a house and you were selling it for, say, \$75,000. If the prospective buyer had \$5,000 down, and you needed more cash than that, you might take a first mortgage back for \$50,000. Now you have \$55,000 looked after.

Then you have another \$20,000 to go. If you're going to take a second mortgage for that, and you need some cash immediately, you'll have to sell that second mortgage. Second mortgages usually are discounted at, say, 60 per cent. So you'll ask for \$35,000 for that second mortgage in order to get your \$20,000 immediately. That extra \$15,000 that's in there is not market value sale price. So the total transaction, instead of being at \$100,000 or \$70,000 or whatever, will be increased by the amount that you're going to suffer, as a loss, when you trade that second mortgage.

Mr. Good: Then all sales are either discounted or affected by this type of computerization.

Mr. Gillis: That's right.

Mr. Good: So you feel that, given this house sold in that area under those conditions, your end result gives a good comparison with the same house sold under extremely different financial arrangements? They all have a common denominator.

Mr. Gillis: That is right. When you use a manual and you equate it to a sale price to get a modifier, in the manual way that we do it, the assessors recognized that as they did each sheet. The costing clerk couldn't. Even if the costing clerk recognized some difference, they wouldn't be able to respond to the special arrangements. The assessors are trained to do that. So when we were doing the coding, we had to have assessors do it so that the data entered into the computer properly reflected these differences in the arrangements of the transactions.

Mr. Good: Do you make any allowance, say, for the existing interest rate at that particular time, how the interest rate fluctuation would affect the size of down payment, the availability of mortgage, on first basis, and CHMC standards as to the amount of first mortgage?

Mr. Gillis: That's right. That's all checked and looked at after.

Mr. Good: And that's all that's taken into consideration?

Mr. Gillis: That's right. If it's documented properly and entered into the computer, the computer will make all these calculations rather than have them made manually. That's why we couldn't use costing clerks.

Mr. Cassidy: Let me pursue this a bit further. When was the decision made to go to market value assessment?

Mr. Gillis: The decision was made to go to market in 1969.

Mr. Cassidy: Is your appraisal report still on the basis of an assessment manual technique?

Mr. Gillis: That's right.

Mr. Cassidy: Does that make sense—that you're using an appraisal report which is based on a different technique than the assessments which you intend to create?

Mr. Gillis: Yes, it makes a lot of sense because all of the data is there. The appraisal

part itself is based on a manual approach. That had to be converted to a computer approach when we made the breakthrough and knew we could use a computer to do this work.

The breakthrough was made about a year ago, and we put on demonstrations for all the people concerned based on 100,000 properties in east Toronto. It was up and running and it works. In fact, when the former minister, Mr. Grossman, first saw the demonstration he invited people to come and see it. He announced it in his statement in the House, and said he would arrange a demonstration for any member who wished to come. No one asked.

Mr. Cassidy: It is not the most political issue in the government, you realize.

What other areas besides the financial arrangements in the purchase of the house, in your opinion, require a judgement call by an assessor?

Mr. Gillis: Statistical data requires a judgement call by the assessor because we used 1,400, with perhaps another 1,000 contract employees, to assemble this. In the first instance when we took over we were told by the municipalities that we were dealing with 1.6 million properties. When we counted them after we made our field inspections in 1972 we wound up with 2.8 million. That was a difference of 1.2 million in properties. Assuming even a 20 per cent increase—and I don't think many people would agree that the housing pool has increased in Ontario at 20 per cent a year—you can calculate for yourself how many were missing. So what we had volunteered to undertake with our existing staff virtually doubled in size, simply because the municipal records were either missing them or there were no records at all for them whether they had them on an assessment roll or not. So you can say that there was double the workload to begin with.

Mr. Cassidy: That wasn't my question though. You've got the records. Presumably you've actually visited, between 1970 and 1974, every one of these properties in the province, for the reassessment. Is that correct?

Mr. Gillis: That's correct.

Mr. Cassidy: Okay. If we're talking about the bungalow in Scarborough or in Nepean, you have 55 key items or bits of information ranging from the number of bedrooms to the square footage and so on.

Mr. Gillis: Right.

Mr. Cassidy: When you feed that into the computer, how much of that is the kind of

information which just goes in straight and how much of it is information which actually requires a judgement call—would necessitate using an assessor?

Mr. Gillis: I would say 50-50.

Mr. Cassidy: What is the other information which requires a judgement call?

Mr. Gillis: There is all the information with respect to mortgages. There is the information with respect to sale prices. There is the information with respect to property location. There is the information with respect to hazards—whether there is something built, sometimes a school, sometimes a park, sometimes some nuisance feature of one kind or another that was either there before, or built since—that has an effect on that property and should be noted and evaluated as a percentage. There is the age, and depreciation allowances that must be made for various sorts of conditions. There are all kinds of items required that we pay these assessors a lot of money for, and if they can convince me that we can get it done with clerks then I'd be happy.

Mr. Cassidy: My understanding is that you didn't allow them to convince you, because the word went out: "Don't use clerks."

Mr. Gillis: The word went out that we couldn't use clerks, not don't.

Mr. Cassidy: In effect, don't. At that point, how do they turn around and say to you: "Look, this doesn't make an awful lot of sense"? You just said, "You can't."

Mr. Gillis: We ran training programmes for them at various stages, which explained all this to them and which pointed out the use that could be made of this information once it was in the file, and we could get the computer print-outs and the computer reports. They were all well aware of that, and they all are well aware of it. They were reasonably assured that providing that the system worked as well as we hoped it would, we would not have to reduce the numbers of the accessors because they would still be out with these quality control and other reports, checking to make sure there was no error in input or no misconception in the programming that would allow the computer to run wild and project erroneous value reports, all of it being judgement and the sort of thing an assessor-appraiser must do.

Mr. Cassidy: What are you going to do to make sure there is a reasonable space of time for people to get involved, to look through their assessment and to get to understand it?

Hon. Mr. Meen: This is the question you were raising earlier.

Mr. Cassidy: Yes.

Hon. Mr. Meen: The 28-day appeal period is adequate.

Mr. Cassidy: If you intend to apply these rolls in 1977 you should bring this information out to the public in early 1976 rather than late 1976.

Hon. Mr. Meen: If the studies can be completed sooner I see no reason why we could not bring it out sooner. But we see the end of the time for adequate and complete studies and analyses as roughly the fall of 1976.

Mr. Cassidy: So, it is not even getting the information together, it's having to study the—

Hon. Mr. Meen: The information per se is together now. But the point is that it's meaningless and useless and indeed dangerous if we were to simply run it in holus-bolus. Now it has to be studied and analysed.

Mr. Cassidy: Is it dangerous, Mr. Minister, to bring the public into your confidence?

Hon. Mr. Meen: I'm talking about the use of the information. There is no point in the public using it if we haven't analysed it and determined just how it should be used in conjunction with mill rates in order to come up with a fair and equitable tax.

Mr. Cassidy: Isn't that a very elitist point of view, to say that we know best up here at Queen's Park and we won't allow the public to get involved?

Hon. Mr. Meen: I don't mean dangerous in the political sense, as I think the hon. member is suggesting, Mr. Chairman. I simply mean dangerous from the standpoint of the amount of tax somebody might wind up paying if that assessment were applied. We don't want a tax shift that will hurt anyone. We want a fair and equitable tax to be applicable and it can't be done until we have had a chance to analyse it and determine what factors should be applied. It's going to take some months to do it.

Mr. Cassidy: If that is your intention, and if you have the information available, let's say, on Jan. 1 next year, or even in the fall of 1975, why not make the general policy statement that we don't want to bankrupt people with property tax, we don't want—

Hon. Mr. Meen: We've been saying that all along; there's no secret on that position.

Mr. Cassidy: There are two issues here. One is the accuracy of the assessment information insofar as it relates to market value. We'll see for sure whether that works only when you put it into people's hands.

The second is what you do with it and the kind of weighting factors you apply in order to prevent the shift from commercial-industrial to the residential side.

Hon. Mr. Meen: I'm saying that if we should be able to abridge the analysis time so that there is a longer period for people to look at their own assessments and see how those assessments, together with weighting factors—computers would assist us—would work out, then we won't wait until the fall of 1976. I can imagine, if the studies can be completed sooner, that there would be no reason to withhold public discussion of the application of market value assessment.

Mr. Cassidy: Can you bring us into your confidence about your thinking about how the weighting factors will apply? Will they be the same across the province?

Hon. Mr. Meen: I have no idea, Mr. Chairman. That's why the study is going on. I said earlier I don't know whether one weighting factor for residential would be common to all 833 municipalities of Ontario. I would be surprised if it were. I rather expect there will be different weighting factors applied in different municipalities in order to avoid any dramatic change.

Mr. Good: Under the legislation you can't use any weighting factors as far as your end results in assessment go.

Hon. Mr. Meen: I would expect we would require some amendments to the Assessment Act.

Mr. Cassidy: Can I pursue this a bit further, Mr. Chairman? There are several problems here. One is the problem of equity within a class. We are talking specifically about equity within the residential class although that's also a problem for small businessmen, or even big businessmen, equity within—

Hon. Mr. Meen: Within the commercial or within the industrial.

Mr. Cassidy: That's right.

Hon. Mr. Meen: That's residential.

Mr. Cassidy: I want to know whether the way my house is valued relates fairly to the way in which Fred Young's house or Ed Good's house is valued, or at least to those who live in the same municipality, so that I'm not facing

a larger total of tax than the guy down the street who has a swimming pool and three extra bedrooms, or whatever it happens to be. Surely that kind of equity within classes can be judged just on the basis of the straight market value assessment rolls, even if we don't know, at that point in time, what the weighting factors are going to be? Is that not correct?

Hon. Mr. Meen: Not necessarily. Within certain residential areas—take for example, the city of Toronto, which was drawn to our attention by the then Controller Campbell, Senior Controller Campbell. There are, within the residential class, some who have a dramatically small assessment by virtue of a bylaw passed in the city of Toronto in 1919, was it, Mrs. Campbell, and repealed in 1920? There are some properties that enjoy this particularly beneficial assessment.

That can't be allowed to go on. But if they suddenly come on market value assessment, their taxes are going to look like the national debt to those owners. Yet for all these years they have been getting what whimsically one might say is "a free ride." They certainly have been getting a very light tax burden compared with their market value. In fact, I would suppose their market value may be somewhat magnified, enlarged, because of the extremely attractive taxes that they have been enjoying over the years. To suddenly go from a few hundred dollars to maybe five or six times that, and maybe more, in order to bring them up to a comparable value to the property across the road, next door or the other half of a semi-detached that didn't enjoy this specific limitation, because it wasn't owned by a veteran of the First World War in 1919, would be a pretty traumatic experience for those taxpayers.

There will have to be a graduation built into it over a period of years. This, at least, is my picture, at this juncture anyway, of what might have to be done with properties like that to avoid a dramatic tax shift there.

Mr. Cassidy: But you can make that decision in two weeks. There is no particular problem about that.

Hon. Mr. Meen: Well, I am not prepared to say that there isn't. I think the less you know about this, the simpler it becomes; the more you get to know about these things, the more complex they become.

Mr. Cassidy: And in finding increasing complexity, you forget about the fact there are real people out there who are facing a real—

Hon. Mr. Meen: No, we are not forgetting that. That's just exactly why we are not prepared to rush into this thing.

Mr. Cassidy: You are not bringing them into your confidence then, Mr. Minister. You are not bringing them into your confidence.

Hon. Mr. Meen: The assessment will be done and then we will be in a position to.

Mr. Cassidy: And this information will be landed on the public in the latter part of 1976, the way your programme goes right now. They will have a very short period of time before the new taxes become due on it. At that point you will say, if you are around: "Well, the political system will decide." What a bunch of nonsense that is!

Surely it is better for these people in the war veteran homes in Toronto, for example, to see what the market value assessment would be, to see whether that assessment in itself is fair, by comparison to others, and then to argue, through the political system—which is where the decision will ultimately have to be made—about what alleviating provision should be made to compensate them for the fact that they have an exceptionally large increase in assessment.

Hon. Mr. Meen: We will see those properties, along with others, brought on to the same formula and the same type of calculation so that in theory, and hopefully in practice, the assessment will relate to the market value in the same way as their neighbours' assessments relate to their neighbours' properties' market values. Whatever mill rate is then applicable, will determine the amount of tax they'll pay.

You know, you can't look at assessments without considering what the mill rate will be. In some of the municipalities in which it did not appear there would be any significant tax shift and where we did permit them to go to market value assessment at their request—we did not do this with any who did not specifically request it of us—there have still been some instances where people have been outraged because suddenly they get an assessment that is five or 10 times what it was before. But the mill rate, instead of being 100, came down to 10. So they wound up in total dollars paying roughly the same.

Now, there were 200-odd thousand properties, and maybe more, that Mr. Gillis has already touched on, that weren't on any assessment rolls at all, and, of course, their taxes are going to go up by an infinite amount. Right now the only thing they lose out on is they don't get to have a vote, but that is a small price to pay, I take it, for paying no taxes.

Mr. Cassidy: They pay no taxes now, too?

Mr. Young: Are they not being taxed at all?

Hon. Mr. Meen: Oh, they are paying now.

Mr. Cassidy: Are they not paying—

Mr. Gillis: They are paying now, but they weren't paying last year.

Mr. Cassidy: How did they get missed in the first place?

Hon. Mr. Meen: Oh, building inspectors who didn't report, or maybe municipalities who didn't have a building permit requirement, Mr. Chairman, or sloppiness. I have some reluctance really to say this, but it makes you wonder if there wasn't some mismanagement, deliberate or otherwise, where they have been left off the rolls.

Mr. Gillis: Just to illustrate that it must have been accidental, in one municipality facing the town hall for four streets and three blocks wide, there was a brand new subdivision, built some time in the three years preceding the time that we found them, that had never been assessed and had never paid taxes. Every time the councillors came to have a council meeting they walked by them.

Mr. Young: Was this across the board pretty well in all kinds of assessment—residential, commercial, industrial?

Mr. Gillis: All kinds of assessments in virtually every municipality in the province.

Mr. Chairman: At this time maybe Mrs. Campbell can come in. Mrs. Campbell has the floor. Order, please.

Mrs. Campbell: I have some reservations on the whole matter of this estimate. I must admit I am very appreciative of the fact that the government has looked at the analysis the city did and apparently found it to have some validity.

Hon. Mr. Meen: Well, the select committee itself considered that this Toronto submission had some validity.

Mrs. Campbell: Yes.

Hon. Mr. Meen: A lot of validity.

Mrs. Campbell: I am still a little in the dark as to just where we are going with any kind of factor which is going to overcome this. I would feel that it might be helpful if at least some of us could find out just what we are looking at in various terms so that we could have some kind of input into this situation. Because, I think, some of us have had a good deal of experience with the whole assessment problem.

I would have hoped that during this period of time that we might have looked at the question of the assessment of land itself, particularly if we are in a position in this province where we cannot get land developed at this point and where it is more profitable not to build. I suppose I think assessment perhaps ought to be a tool.

Hon. Mr. Meen: You mean it approaches the site value assessment rather than market value?

Mrs. Campbell: Well, I feel that we are missing the boat at this point if we haven't really looked into the whole question of the relationship of taking the value of the land itself as vacant land.

I am not yet convinced that it would be wrong to increase the proportion of the land, the vacant land itself, for assessment purposes. It may be that it affects some inequities insofar as assessment goes, but it may well be useful for other aspects of the government in trying to get land into a developed position.

I also have some other concerns. I had hoped that by now the whole municipal stimulator programme might have been far ahead of where it is at this point. I believe it's still only in Toronto and Oshawa. I thought that would give a great deal of opportunity really to have some input into this total assessment picture. I see there are nods which, I presume, indicate that we're not in disagreement.

There was so much of an opportunity there, it seemed to me, to proceed. And yet where do we go? I guess again it's a matter of saying to what extent are municipalities to be required to share in the funding of the programme. I don't think there can be any other reasons for it not proceeding but perhaps there is and perhaps I could be enlightened as to that.

Hon. Mr. Meen: Would you like Mr. Gillis to respond to that now, Mr. Chairman?

Mrs. Campbell: Yes.

Mr. Gillis: As I understand it, Mrs. Campbell, the simulator programme took a very long time to get going in the first instance. There was money spent on the programmes and systems. There was a lot of argument on how it ought to be done, so that Toronto and Oshawa were the only two that were willing to contribute with the government to expend money for it. However, the valuation file that we are creating now and that will be up and running by July will include all the property aspects of that for the total province. What will be missing out of the experiments in Toronto and Oshawa with respect to the simulator are the financial aspects: The total indebtedness of

the municipality; the capacity of various classes of properties to contribute to the funding and all these sorts of things.

It may well be that when the valuation file is up and running, and if that information is made available on call to all the municipalities, they will be much more willing to proceed with the other side of the equation and go ahead with it. Also, it was a sampling technique that was used in both Oshawa and Toronto and the valuation file will give every property. To that extent, there are some benefits out of the total thing to achieve which you were asking for.

Mrs. Campbell: Another thing I would like to know is what consideration is given in your assessments now to matters such as zoning where you have restricted land use as opposed to open land-use right. Is that a factor that is being taken into consideration?

Mr. Gillis: Yes, it is. For instance, the effect of the bylaws and the attempts by the city of Toronto recently to limit, by storeys or otherwise, the use of downtown land is now starting to reflect loss in value for those lands. Where they were trading for considerable sums before, the recent indication is that they're trading for probably 60 per cent of those sums. There is no question that the assessments will have to reflect these constraints.

Mrs. Campbell: Finally, I would like to know, if I could—I'd like a "for instance" in this case—about the conglomerate developer and his financing. How do you look at that kind of an operation in terms of the total evaluation of a property? You have already gone into the mortgage question, but what do you do about the rather paper transactions—if there are any, and I'm advised there are—between parts of the conglomerate and the increased price—not value—that may show? Does this occur? Have you seen it? Are we going to be able to look at that too from the point of view of the reflection of that operation, if any, on rental prices in Toronto and things of that sort?

Mr. Gillis: Yes. Those transactions are reflected. We are aware of them in every instance. Whether or not that particular information is made available I can't say, because there is a constraint now in the Assessment Act with respect to its release. Certainly available to everybody using the file will be market rents in global situations, not for particular apartments, but for total complexes.

Mr. Cassidy: Will that be available publicly?

Mr. Gillis: That is available publicly now at the registry offices where the leases are

registered. Available now publicly, at the registry office, is all the information and data you were mentioning with respect to the special arrangements. You can see the paper transactions, the setting up of dummy companies, the movement in the foreign money that offsets certain things that have increased sales prices dramatically in certain areas. That's available for anyone who wants to go down and search for it. We have it in our records. However, we are constrained at the moment from releasing it.

Mrs. Campbell: Mr. Chairman, I am aware that it is available. What I'm trying to get at is that I think it would be a colossal job to track down many of these transactions. Really, it isn't a part of your ministry, and yet it seems to me this ministry is deeply involved because we get the continuing argument from developers that it's the high cost of money which inflates the cost. If there is not a workable opportunity to do an analysis, and I think it needs a computer analysis probably, it isn't possible to test whether what is happening is, in fact, a very important factor in what's happening to rents. I understand the confidentiality of your information, but I certainly think, in a time of crisis, there has to be some way to determine this sort of thing.

Mr. Gillis: The one part of the question that I didn't answer was that, yes, these transactions are reflected in the valuation to be done on those conglomerate properties. We value them by capitalizing the rent. To the extent that the rent is high but universally high because of these sorts of transactions, then it is reflected in the market value. It is not complained of by the owners for their own particular purposes, of course.

Mrs. Campbell: But, you do take the paper transactions as a legitimate sale for statement purposes.

Mr. Gillis: When you capitalize the rents, the rents reflected may be high. Unfortunately, because of the shortage of housing, these rents are universally high and people who do not participate in these benefits also enjoy the benefit of the higher rent because the rent has a great tendency to move upward uniformly. So, if you capitalize those rents, to determine the value, then the higher the rent, everything else being equal, the higher the value of the property.

So, to that extent it's being reflected, but again, when that's done, the tenants are the ones who pay the taxes anyway. In apartment rents now, or two years ago, there was no escalator feature in most leases. Now there is

an escalator feature in 50 to 60 per cent of the residential leases and, undoubtedly, in a few years, there probably will be in all of them.

Mrs. Campbell: When we first looked at the Act, was I in error then in my interpretation that apartment development was in a separate and special category and was not regarded as a residential category, and that there was a possibility—I thought that was a part of our submission—that they too might gain on the market value situation, almost as the commercial properties would?

Mr. Gillis: That is correct.

Mrs. Campbell: Following on the point of the member for Ottawa Centre—I get confused about that—

Mr. Cassidy: Don't get confused, Margaret.

Mrs. Campbell: —it does seem to me that we ought to have available to us something of the thinking, if that is possible. I recognize that you're working on it and that you're awaiting reports and so on, but shouldn't we somehow be a part of the ongoing process as to how you are proceeding to look at any factor that takes into consideration this kind of preferred treatment for the developers' properties?

Hon. Mr. Meen: I thought, Mr. Chairman, that the member for St. George was asking about the general picture of apartment assessments in the overall residential picture, where I think traditionally we've agreed that apartment assessments were running somewhat higher, that the municipalities had assessed them at a higher rate per dwelling unit than the equivalent of that dwelling unit in the form of a detached or a semi-detached dwelling sitting on a piece of real estate. That's going to be part of the analysis, too, in the long run. But my expectation is that real estate taxes on apartment accommodation would be somewhat less, perhaps, within the residential class than they are presently bearing. When we get to this stage the municipalities are going to have to get into this act.

Mrs. Campbell: Without question, I should think.

Hon. Mr. Meen: I have told the PMLC that we will have some discussion with them when the time comes, when we're in a position to tell them the results of our studies of the market value assessments in the entire residential field.

Mrs. Campbell: I think what I'm saying, Mr. Chairman—and I don't want to cut Ed Good off; he's waiting patiently too—in this, doesn't

it strike you that it might be useful to bring municipalities into your confidence during the course of the study itself, rather than bringing them in after you have completed your study, simply to explain to them—

Hon. Mr. Meen: It won't be a simple matter of explanation to them. We've got to do a great deal of, you could call it spadework, before there's any point in talking to them.

Mrs. Campbell: Well then, I guess perhaps I'm asking this, this has been ongoing for some time?

Hon. Mr. Meen: No, the study has not been. It's really only getting going now, now that we're completing our market value assessment.

Mrs. Campbell: Oh, I see.

Hon. Mr. Meen: That is what has been delayed with the tremendous escalation in market values in the period from 1970 to 1973, roughly. We simply couldn't keep up and we weren't able to get them completed. Plus the fact, as Mr. Gillis has mentioned, we found a tremendous number of properties that weren't even on the assessment rolls, and we had to go back and get all details on those.

Mrs. Campbell: I trust you didn't in the city of Toronto. I hope not. I can't think of anything opposite the city hall there.

Hon. Mr. Meen: You'll have noted Mr. Gillis said almost every municipality. He didn't say every municipality, but almost every one. It might even exclude East York. In any event, we're just completing that now and it will be by July 1 that we'll have all that data in the hands of the Ministry of Treasury and Economics, which can then begin that part of the study.

Mr. Cassidy: What data will you actually have?

Hon. Mr. Meen: Is Mrs. Campbell finished?

Mrs. Campbell: No, I had one more question and that was: Have we now sorted out that difficulty which I brought to the minister's attention on the condominium properties? You will recall that there was a very real problem. I have not had further complaints—

Hon. Mr. Meen: The reassessment of one property would automatically tell you that all the others should be reassessed as well. I don't think that's been resolved in favour—

Mrs. Campbell: And the lack of opportunity, I think, for any appeal.

Hon. Mr. Meen: Yes. They are individual owners and the situation, I suppose, is on all fours with the fellow who owns a bungalow on a street of bungalows, all built by the same builder at the same time in identical style and everything else. If one came down in value, one should say they should all be reduced in value.

Mr. Gillis: Just to add to what the minister has said, we provided notification to all of them to appeal their assessment so that they would be protected. That has been achieved. They may have missed a year or something at the beginning.

However, the assessment review court is not dealing with those appeals until the Supreme Court of Canada makes a decision with respect to the common areas and whether the assessments of the corporation should be assessed against each owner or whether there should be a separate assessment made against the corporation. Of course, included in that is the apartment or the living accommodation of the superintendent of the condominium complex who gets that part of it as part of the consideration of salary and otherwise. The sale prices probably reflect some part of that when individual units are sold to owners.

That whole matter has to be straightened out by the Supreme Court as to viability in each area. Once that is done the assessment review court will proceed with all the others.

Mrs. Campbell: I just heard of one condominium where, as I understand it, the elevators are all going up and not descending. How in the world would you assess that kind of a situation?

Mr. Gillis: That's the problem we are in and that is why we referred the whole matter to the Supreme Court of Canada and why we hope to get direction back from them as to how to proceed.

Mrs. Campbell: When was that done, may I ask?

Mr. Gillis: That was done about six months ago and the time hasn't been set yet for the court to deal with it.

Mrs. Campbell: That is a tough one for condominium people. Thank you.

Mr. Chairman: I have Mr. Good.

Mr. Cassidy: Mr. Good was next, was he?

Mr. Chairman: Right.

Mr. Good: Following on this discussion I think perhaps anything I would say would be on all three items which—

Hon. Mr. Meen: We're treating them that way.

Mr. Chairman: I assume the members wish to treat them as one discussion.

Mr. Good: It sounded that way to me, anyway.

Mr. Cassidy: That's fine, Mr. Chairman.

Mr. Good: I will say I think the ministry has come a long way in the concept of how market value assessment is going to have to be translated into tax dollars. Originally, it was held out to be the be-all and end-all; this was going to bring equity to the taxing situation in the Province of Ontario.

Many of us felt it wouldn't and the records show I have spoken on numerous occasions on this. I don't want to go back over everything again because the original experiences, when this was first done on a county level and in Mississauga and places like that and in my own area, had shown the shifts were going to be tremendous.

Hon. Mr. Meen: We all knew that.

Mr. Good: The Treasurer (Mr. McKeough) didn't know that and he would not admit there were going to be any problems with taxation on market value assessment. When we suggested—when I suggested—that there would have to be various mill rates or various percentages of market value taken on various classifications of property, it was pooh-poohed as stupidity coming from the Liberal Party. It was evidently conclusively shown when it first came out that you can't use the same measure of assessing commercial and industrial properties for market value because commercial properties aren't sold every day of the week. You can't establish market value.

Now we are in a situation where we have market value assessment practically completed. It probably represents 50 to 60 per cent of actual market value today; maybe 65 per cent in some areas. My first question is how uniform is that percentage across the province or doesn't that matter as long as it is uniform within each taxation division?

Mr. Gillis: It's surprisingly uniform across the province. The experience in Grey and Bruce counties, Muskoka and the other areas that were done last year, was that valuations came out at approximately 65 per cent.

Mr. Good: Approximately 65 per cent of the then market value when that came out. That's fine for now. We realize the application of that to various classes is going to cause certain shifts which will be hardships. Then we have

to look at the philosophy of who should be paying a higher percentage of taxes than another class, and which classes should bear more taxation than others.

Was there any input from the assessment department into the legislation just passed by the Treasurer which makes the 15 per cent differential between commercial and industrial, and residential and farm assessment mandatory in all jurisdictions?

Hon. Mr. Meen: I'm advised we were not consulted.

Mr. Good: In other words, he pulled that differential figure out of the air?

Hon. Mr. Meen: No, I don't think you can take that conclusion. I simply say he did not obtain assessment information from us.

Mr. Good: All right, but he uses as his argument for doing it that it was going to make market value assessment easier to bring in. Somebody is trying to kid somebody. When he said: "I guess these boys have got their studies finally completed," then when you said, "The studies are just starting," I thought, there goes Darcy, off on a tangent again, pulling figures out of the air and imposing them on the people of the province and saying, "Here is the first great step to make market value assessment more palatable."

Thanks for the information. It's what I thought was the case but I didn't think I would ever hear it publicly acknowledged. I think it is inexcusable that a government can't work a little better than that between its ministers.

Hon. Mr. Meen: Mr. Gillis, I think, is aware of the manner in which the 15 per cent was achieved. It wasn't just out of the air. He tells me it was a matter of the average of split mill rates used in the past. Perhaps Mr. Gillis can elaborate on that.

Mr. Cassidy: It was the irrational sum of the irrational decisions of the past, is that right?

Mr. Gillis: The split mill rates were achieved in the past by the application to the residential sector only of the unconditional per capita grants. Once a mill rate was struck in a municipality the total amount of the unconditional grants were applied to the residential sector to reduce taxes on that portion of the total taxable assessment.

I am led to understand that, on average on a provincial basis, that was 15 per cent. Therefore it was applied on that basis.

Mr. Good: Thank you. On the matter of the introduction of market value assessment, we

talked about bringing the public in and letting them know what was going to happen. I've some ideas on this.

In Bruce county in 1973 assessment notices were sent out and, in one township of which I am familiar, at the bottom was a line which said: "If your assessment has gone up 17 times you'll pay the same taxes as you did last year," because the mill rate would then be reduced from 170 mills to 10 mills, providing your expenditures were the same. By saying that, it didn't give people much information as to what they should do to appeal that assessment. In many cases assessment went up 50 times and in some cases even more than that. It was quite legitimate that those assessments should go up. I think that to bring people into the picture there has to be a detailed explanation sent out of what a person's rights are as far as assessment goes. The notice says you can appeal within 28 days, but if you've ever been to an assessment review court, Mr. Minister, it's pathetic to see people come in without any knowledge. Naturally they're not going to have any legal advice.

They come in and they say: "My assessment is too high."

Q. "Why?"

A. "Because I can't afford to pay the taxes."

And that's about as far as the appeal goes.

Hon. Mr. Meen: That's why we do try to explain it to them.

Mr. Good: You don't put any explanation in there of what their rights are under the Assessment Act before that review court. You don't tell them that the Assessment Act simply says the only basis of argument you may use is by comparing your assessment with those of comparable properties in the same locality or vicinity—I think "vicinity" is the word—

Mrs. Campbell: They can't do that now anyway.

Mr. Good: —which narrows your rights down pretty fine. When market value assessment was implemented in those areas, the first thing those people should have been told was that it was their right to go to the assessment office in Owen Sound or wherever the region was that happened to be affected in that case. Where was the assessment office in Bruce?

Hon. Mr. Meen: Walkerton.

Mr. Gillis: In Bruce we did that—

Mr. Good: You held meetings?

Hon. Mr. Meen: We held meetings.

Mr. Gillis: We held meetings, and we told them where they would be; and we tried to locate an assessment officer or more than one in every municipality so that the people could get there. For non-residents, we held them on Saturdays, on weekends and at night so that they could get there.

Hon. Mr. Meen: You are raising an interesting point: We did include with the assessment notices that went out in some of these municipalities—it may have been in Muskoka; I am not sure—an estimate, on the basis of the new assessment and on the basis of the expenditures in the municipality if the council didn't increase its expenditures but kept them at the same level, of what the mill rate would be. If memory serves me, in one of the municipalities it was 10 mills instead of more than 100—

Mr. Good: That's right.

Hon. Mr. Meen: So we said to them: "Look, on this basis your taxes with ten mills will be thus and so." I don't think we went into any detail as to what the method of appeal should be. I don't know to what extent one should try to tell them the whole law, but you may have a good point about just outlining to them what kind of comparison they can make to determine whether they are fairly assessed.

Mr. Good: But if a person comes in and is told market value assessment, without fear of contradiction, the assessment review officer would say to people, and he would say to me: "Well, do you not think your property is worth \$20,000? That is what it is assessed at market value." Those people don't realize, as Mr. Gillis has just said, that the assessment shown as market value across the province is really only 65 per cent of market value.

When the assessment review court officer uses that as an argument against the person, and the person is only allowed to use as his argument the assessment on comparable properties within that vicinity, I say it is your obligation to set out to people in detail what procedure they have to use in that assessment review court.

I know the assessment review court doesn't come under your ministry, but I think the instructions to the people should go with the assessment booklet. You should tell them that they can't use any other argument but a comparison with properties within their area, and if their whole block unfortunately, is over-assessed, there is not a darn thing they can do about it. Or if the whole area along the waterfront on their cottage property is over-assessed, they can't go to the other end of the province to make a comparison.

Mr. Gillis: I would point out one thing, that in Grey and Bruce counties and in Muskoka, they could go to any place in those areas, because the constraint about similar property in the vicinity didn't apply; it was useless to go to other parts of the province because those were the only places at market value.

Mr. Good: Why would it not apply?

Mr. Gillis: It wouldn't apply because the constraint to use property in the vicinity only applies to the old fixed assessments. It does not apply to market value. When the minister proclaims an area is going on market value, that constraint automatically goes out with it; it is strictly market value, and you can make any comparison in that county or that total unit that has been reassessed.

Mr. Good: What are the constraints of argument then under that market value assessment?

Mr. Gillis: There would be no constraints.

Mr. Good: In other words, the appellant would have to prove that this assessment represents a certain percentage of true market value, and the other properties in the area are assessed at less than that.

Mr. Gillis: That's right, yes.

Mr. Good: I see. I just didn't realize that, but that's a good point. I think these things should be made known, Mr. Minister, because when you look at the number of appeals there were—and they were filing through the assessment review court one after another without a ghost of a chance of having anything done to their appeals, for the simple reason they didn't understand the appeal procedure, we were told that it is not going to be a very sophisticated type of court and that any person can appear without counsel and get a good hearing. Sure, you can appear without counsel and get a good hearing, but if you are not told what the procedure is and the basis on which you can file your hearing, then, of course, there is no point in even appearing.

Hon. Mr. Meen: It is curious, that my advisers were just telling me that there were less appeals in Muskoka, Grey and Bruce that year when they went to market value assessment than there had been in the previous years.

Mr. Good: Were there not 2,500 in Bruce and about 4,000 in Grey?

Mr. Gillis: Yes, I think you are right, but there were more before. This year, for instance, there are 125,000 on a provincial basis, which is the most appeals ever in the province.

Mr. Good: Yes, because it has taken people two years to wise up after they got their market value.

Mr. Gillis: No, I don't think so necessarily. I think the existing assessments are, as everybody admits, inequitable and taxes are higher and people are led to appeal their evaluations because of that.

Mr. Good: Are you saying there were more than 4,000 appeals in Grey county the year before you brought in market value?

Mr. Gillis: I can't say in each individual one. But in the total of Grey, Bruce and Muskoka there were fewer appeals on revaluation than there were in the preceding year against the old system, that is, the total aggregate for the three. I am not sure on an individual basis.

Mr. Good: I know they straightened out a lot of misspelling of names and things like that over the counter and at their meetings. They straightened a lot of that out.

Hon. Mr. Meen: I think you raised a good point, though. I think the member for Waterloo North does raise a good point, though, as to what kind of information we could provide to these people.

Mr. Good: I have one other thing on that same subject. The other week when I was talking on this, the Treasurer mentioned about Grey and Bruce and part of the Parry Sound area. This has to do with the vote that we are on, market value assessment. He also said Mississauga and Peel. They are not on your market value. They are just on the 1968.

Hon. Mr. Meen: No.

Mr. Good: It was done on the local county.

Hon. Mr. Meen: They did it themselves.

Mr. Good: Yes, that is what I say. They are not on your market value. Was their job very close to what yours was.

Mr. Gillis: No. They're probably—this is a guess—at 40 per cent now.

Mr. Good: Right. Correct the Treasurer who corrected me when he was wrong. I had not heard about those areas being taken over on the market value assessment.

Mr. Gillis: He is technically correct. They used a formula which was supposed to reflect market value.

Mr. Good: The fact that assessment has been frozen for so long has really distorted the whole financial picture in the municipalities. It is

now being frozen for an additional two years. It has made it profitable for people to tear down old buildings and have the land sitting there. Under previous assessment, land was assessed at next to nothing. I can show you a lot worth \$1,000 per foot frontage there assessed for \$2,000 for the whole lot. People just had to tear down the buildings, pay their \$50, \$60 or \$70 worth of property tax a year and they are sitting there laughing all the way to the bank. It is just like inflation. It is an incentive to hold property.

Mrs. Campbell: That's right, vacant.

Mr. Good: This is wrong and the municipalities are suffering because of this, and not only because of that but in the whole matter of the equity with which people are being taxed within the municipality.

Mr. Gillis: That probably is true. On the other hand, and this is the situation in Toronto, the policy in the assessment department in Metro Toronto was to value land lower than land that was developed. There you have a situation where all the vacant lots are assessed for considerably less than a lot that is built on. Then you have the situation where the higher the building is on a lot, the higher the assessment, even though the sale prices of those lots are identical in every instance. The freeze has frozen the situation into effect, but at least we don't reduce the assessments when they tear the buildings down.

Mr. Good: Certainly you reduce the assessments when the building is torn down?

Mr. Gillis: That is the assessment on the land.

Mr. Good: No, not the assessment. But the land is assessed very low, that's what I am saying. You have now made it very profitable to tear the buildings down. So you don't pay the tax, and hold the land until 1977.

Mr. Gillis: The difference is though—

Mr. Good: This has been going on for five years now.

Mr. Gillis: The difference though is that the practice in the municipalities was to reduce the land when the building was torn down, to make it even more attractive than it is now.

Mrs. Campbell: May I just come in on this? The practice of municipalities on the one hand was to try to increase assessment on parking lots. We applied for the right to assess at full market value of the lot, and Mr. McKeough found that the city was a little late in applying for that.

However, he informed us in the same letter that he had revised the situation, and that these lots—just because they were paved and licensed—didn't constitute improved lots, which was what we were assessing them at. So the net result was not that the municipality lowered in those cases, but that this government made the municipality lower on the basis of that assessment.

Mr. Gillis: That may be true in that particular instance, but also it was the policy in Metropolitan Toronto to reduce the assessment on land depending on the amount and extent of development on it; or increase it. So that it was automatically being done on lots where the buildings were torn down but were not converted to parking lots. The parking lots stayed the same at least.

Mr. Chairman: Anything further? Mr. Good.

Mr. Good: Yes, Mr. Chairman, I presume this ministry supplies information to Treasury regarding the equalization factors?

Hon. Mr. Meen: Well, the whole assessment picture goes to Treasury and Economics—

Mr. Good: And they figure out the factors.

Hon. Mr. Meen: —and they work out the equalization factors.

Mr. Good: If there is anything that causes more problems in the municipalities I don't know what it is, especially under the new regional governments where there are merged municipalities.

The city of Kitchener, for instance, has areas with three different types of assessment trying to get into one. It is really almost impossible to get any equity in this regard. Why is the equalization factor so difficult to come up with when it relates to grants coming from the province that are based on assessment?

Mr. Gillis: In the instance of the regional municipalities, we prepare the equalized assessment but it must be based on the last revised assessment role, which has held up the apportionments in the Waterloo region simply because the assessment review clerks haven't finished their deliberations this year. We have been back to Treasury and Economics about this situation, and I think they are considering the appropriate means to correct it.

With respect to the development of the factors themselves, they are developed based on a weighting procedure, which pretends anyway, to measure the various differences when municipalities are amalgamated. Of course varying assessment practices are then joined together—a new ward created perhaps

carrying the five per cent ratio assessment, the existing wards carrying 25 per cent or whatever.

Hon. Mr. Meen: Who calculates those, Mr. Gillis? Do we do that?

Mr. Gillis: We do.

Mr. Good: Oh, you do the factors, do you? I thought Treasury did it.

Hon. Mr. Meen: I said they did. But I was mistaken.

Mr. Gillis: We calculate those factors. The factors are calculated as best we can to weight and measure these. Once those factors are developed, however, then Treasury and the regional municipality get together and they apportion, based on putting in other weighting factors which reflect grants, subsistence payments and other conditions of that regional government.

Mr. Good: I see.

Mr. Gillis: That's grants in lieu of taxes, special aid programmes.

Mr. Good: Have you ever thought of working out the factors to two or three decimal points, because I can remember one instance—the library grants are no longer related to the factors and assessments—but the movement of the factor from one digit, from 32 to 31, had a tremendous effect on the grants that were due to the library in our area. I have heard different municipal people say that the factor is too great, just from one per cent to another; that it should be worked out in finer detail so there isn't such a shift in these grants as they shift from one factor, say of 32 to 31, or from 38 down to 37, because one shift makes quite a difference.

Hon. Mr. Meen: If you go from 31 to 32 it's all right.

Mr. Gillis: We used to provide the factors with three decimal places. We gave that up because we came to recognize that the factor wasn't that correct in any event, that we could start measuring it in that many decimal places.

Hon. Mr. Meen: Gave the impression that it was not, eh?

Mr. Gillis: Discretion being the better part of valour, we decided to go for the whole numbers. It's a sampling process and if you are lucky enough in it to get enough houses that are undervalued, relative to other houses, enough that are overvalued, and all those things, then you come out with a very accurate

projection. But you have to be very lucky to do that. There is no sampling procedure in the world that really can do it.

Mr. Good: I understand you are still going to have to employ an equalization factor after market value assessment comes into force.

Mr. Gillis: No, we don't intend to.

Mr. Good: You don't intend to?

Hon. Mr. Meen: In theory everybody should automatically be equalized.

Mr. Good: Yes, I know they should be, but I understood that you were still going to have to put in an equalization factor—I am sure that's what the Treasurer used to tell us; maybe I am wrong on that.

Mr. Gillis: I never heard of that. I was hopeful at least that we could get out of that.

Hon. Mr. Meen: That was sort of the object of the whole exercise.

Mr. Good: I thought so too. But then I was told that you recognized the fact there would still be variations across the province and that these equalizations factors would have to be taken into consideration; but maybe it's the additional weighting that goes into that factor from TEIGA before the grants are provided.

Another matter is the reassessment on properties that had their values affected by last year's flood in the Grand River basin. I don't know what the current situation is, but earlier this year people were told by realtors and those who wanted to try to sell their houses that their homes would bring only about half of what they considered they were really worth because of the devastating effects of the flood the year before.

Now, I don't know whether this situation will correct itself. They went 18 years without a flood such as Hurricane Hazel, up until three years ago; and then had two in two years. Why didn't the assessment officers move in under section 86? They have the power, where circumstances affect class or areas of property, to have a re-evaluation for those people and given them at least temporary tax relief the first year after the flood.

Hon. Mr. Meen: I understand Mr. Chairman, through you to the member for Waterloo North, that you have already inquired on this matter. Frankly, I had expected you to ask me the question in the House months ago.

Mr. Good: Well I thought I would save it for here.

Hon. Mr. Meen: Thank you very much. In any event, I am advised there was no transaction in the area to even trigger anybody's expectation that anything had changed. Indeed, if anyone had gone in there during the last summer and inquired as to whether house values were down, my bet is they would have been told they weren't. They were listing them for sale at the same prices.

There was nothing to indicate to anybody, so far as we are aware, that there was any diminution in the value until last January. At that stage, somebody tried to get a mortgage or moved a sale at a lesser price. It was then recognized for the first time that there had been a reduction in the value of those homes as a result of the flood of late April last year.

In any event, by January last, when this came to our attention, it was too late for us to do anything about the assessments for the year 1975. The rolls were closed and the appeal period had passed. No one had appealed.

I think Mr. Gillis can give straighter detail on this, but it is my understanding that we will now be looking at that whole area as a result of the triggering of this action through this matter coming to our attention. There will presumably be some adjusted assessments made in the fall of this year for 1976.

Mr. Good: I have your commitment that the regional office will look at it? Thank you; that's fine.

Now how about this whole argument—Mr. Gillis and I have been through this before—about your evaluation on land being affected by who owns it, where he lives, whether he is living on it or whether he is living in the city and owns a farm? This has to do mainly with farm land in the outskirts of the city. Farm land is farm land, eh?

Mr. Gillis: Farm land is farm land. Our people are supposed to be treating it on the basis that if it is farmed it should have the benefit of the provision in the Act that the assessed value be based on a selling price from one farmer to another. Whether or not the person lives on it makes no difference.

There are all kinds of farms that people don't live on that are being treated as farms. If there are any that are not, then certainly whether a person lives on it or not is not any part of the criteria.

Mr. Good: What about whether he farms it or not?

Mr. Gillis: Whether he farms it or not is the criterion. If he doesn't farm it then it doesn't get the benefit of that section of the Act. It only benefits those lands that are farmed.

Mr. Good: But if the owner rents it out to someone else who farms it?

Mr. Gillis: Then he gets the benefit.

Mr. Good: The other thing I want to talk about was mentioned by Mrs. Campbell. I have read all the literature sent to me—I am sure the minister has too—by the School of Economic Science on site value assessment. It makes a lot of sense to me. Have you looked into it, Mr. Minister?

Hon. Mr. Meen: This was one of the things the select committee on taxation looked into. They ultimately concluded that it was not as practical as a form of market value assessment.

Mr. Good: Of course that was eight years ago.

Hon. Mr. Meen: I know, but I don't think the situation in a developed area like Toronto has changed so far as the traumatic effect you would have if you went from market value assessment and closed with—

Mr. Good: The site effect would have to be eased in.

Hon. Mr. Meen: What do you do about the fellow who has a parking lot he would like to develop, who gets socked the same amount for taxes as the fellow next door who has a Toronto-Dominion Centre sitting on his land? That is exactly what would happen. Because of the tremendous reduction in tax the Toronto-Dominion Centre would experience, the fellow with the vacant lot next door is going to have a proportionate increase in the amount of tax he pays. Then he is hit with a bylaw that says he can only build something 45 feet high.

Mr. Good: So you took the one example of a parking lot.

Hon. Mr. Meen: I am illustrating.

Mr. Good: What about the guy like E. P. Taylor who was sitting on a farm and wouldn't develop it until the land got to a price? In the meantime he is protected because all he is holding is land, there is nothing built on it and—

Hon. Mr. Meen: As long as it is economical for him to develop it, he develops it.

Mr. Good: Oh, come on now. There are all kind of people sitting on plain land, waiting and waiting for the right price because it is not costing them much to hold plain, raw land.

Hon. Mr. Meen: Maybe it is good to keep it in farming.

Mr. Good: And sit on it? Really, we have been through the old argument that the market value concept, we argued this when it first came in, really works against and penalizes the fellow who wants to improve his property. I am talking about the appearance of his house.

I know your director of assessment will say: "No, we don't assess a good-looking house any more than a run-down, poor-looking house." But I don't believe it because it doesn't work out that way. Market value is what a willing buyer will pay to a willing seller. If they are not doing it that way they are not following the Act.

Site value assessment I agree would have some traumatic effects, but I think—

Hon. Mr. Meen: It was a policy decision made by this government to go the way of market value assessment, based on the recommendations of the committee.

Mr. Gillis: There is one other interjection I would make. At the symposium held in September in London, England, we had representatives from all of the nations in the world that collect a tax on property, and both New Zealand and Australia came forward as saying that they are dropping that system of taxation as soon as they can phase it out. They pointed out to the delegates present that they had gone to capital value in New Zealand, with the exception of Wellington, and they were moving on that very shortly. In London, England, the inland revenue people said they conducted a three-year experiment; they had looked at it from all aspects and they were not going to go forward with it. They were dropping it, too.

Mr. Good: They were?

Mrs. Campbell: How about Hawaii?

Mr. Good: What reasons did they give?

Mr. Gillis: I can't document the reasons for you now but I certainly would be very happy to send you the results of that; the reasons are there. I don't have the document with me.

Mr. Good: It appeared to me it would make for more orderly development of property. It would do away with sitting on land for speculation purposes because the taxes are low, especially under the frozen assessment we have had for the last five years.

Mr. Gillis: I know it was said there was no evidence it did do that; and the tax base was far too small and inequitable to carry the burdens being levied against it. I know that statement was made; there was a series of others as well.

Mr. Good: The tax base was—

Mr. Gillis: Was too restricted, too small.

In Ontario, for instance, you would reduce your tax base in some areas to next to nothing. Even in Metropolitan Toronto, you would reduce it probably to 15 or 20 per cent of what it is now.

Mr. Young: Will undeveloped land be taxed on the basis of market value?

Mr. Gillis: Yes, it will be, provided that it is not farm land.

Mr. Young: So that land held for speculation—as E. P. Taylor did, we know, he built all around it and sold chunks off—

Hon. Mr. Meen: It will be taxed on the basis of the market value of that land from year to year.

Mr. Young:—and his income tax determined what he sold and when he sold it—that will be overcome by the market value plan?

Hon. Mr. Meen: Hopefully.

Mr. Gillis: Yes, as all the developers now holding land leased out to farmers, proceed with applications to develop it, by provision of a plan of subdivision submitted for approval to the Ministry of Housing, the assessment department is notified so the assessment can be changed from farm land to market value.

Mr. Cassidy: When do you change that?

Mr. Gillis: Immediately they make the application.

Mr. Cassidy: For subdivision?

Mr. Gillis: For subdivision, yes.

Mr. Young: But land held for pure speculation, which is going up in value constantly, will not be changed until the application is made for a subdivision plan?

Mr. Gillis: That is right, unless it is not used for farming. If it is used for farming it comes under a section of the Assessment Act and can only be valued as farm land.

Mr. Young: If there are no horses on it; no race horses.

Mr. Good: Even though they pay \$8,000 an acre for it.

Mr. Chairman: Mr. Good.

Mr. Good: Yes, I have two other items. What have you done in response to the brief from owners of private forest lands? Are you treating them now as farm lands?

Mr. Gillis: The forest land people will get the same subsidy now given to farmers with respect to their land. The cabinet committee studying it has not yet made a recommendation with respect to any difference in assessment.

Mr. Good: So you are assessing it the same as before but they are now eligible for the term farm tax reduction programme?

Mr. Gillis: That's right.

Mr. Good: Okay. The other thing I want to talk about briefly is the assessment on mobile homes. Since the changes in the Municipal Act and the Assessment Act which have done away with the \$20 licensing fee and the—

Hon. Mr. Meen: No, they have made it one or the other, not both.

Mr. Good: One or the other, all right, but not both. When it comes to a unit which has its wheel base taken off and it is sitting on a foundation or on blocks or something, and the rolling mechanism is removed from the machine, it definitely has to come under assessment and taxation. When these homes are assessed it appears to me, from the inquiries I have made, that the revenue is going to be considerably less to the municipality than it was the other way. When the mobile homes are being assessed, they take into consideration that their life expectancy is considerably less than a nail-and-hammer-built house and they can be moved and this sort of thing. What concerns the municipalities now—and really the shoe is now suddenly on the other foot—is that the social costs that are levied against property in Ontario—and that's the way it is, a lot of the social costs of running a municipality are levied against the property—they are not going to be met by these units that are simply assessed and taxed in the present manner of assessment.

The trailer park owners and those who are promoting them say they are more than happy to pay their fair share of taxation if the municipality will let them in. In some respects this change from licensing to assessment has been detrimental to allowing mobile home parks in the municipalities, because they've been resisted for years. I think now it's getting to the point where they are beginning to prove to them that \$240 a year is more than they're getting out of a three-room apartment in many areas and they're not as bad, after all, as the municipal people had tried to make out.

When you do an assessment, do you actually take the physical characteristics of the building into consideration and nothing more?

Mr. Gillis: We take in the fair market value of the land by capitalizing the rent that's being

charged for it, and that produces a fair amount of assessment. Then we add to that the value of the structure, the trailer. Where they're done properly, they equate very favourably with the reasonable assessments of houses.

I don't think there's the substantial difference that perhaps people conclude. However, the court decisions that sponsored the amendments to the legislation and triggered the whole thing going into effect, meant that last year, for the 1975 taxes, it was just physically impossible for us to get around and revalue the lands to be sure they were properly valued to reflect the market value of them. That will all be done this fall; and when it's completed I think you will find there's a better relationship than you anticipate.

Mr. Good: As I understand it, the owner of the park is responsible for the taxes, not only on the land but also on each mobile home in the park?

Mr. Gillis: The owner of the land is responsible for the taxes; however, there is little doubt that he will charge them back to each trailer.

Mr. Good: Oh yes, he'll charge them back; but each person living in a mobile home doesn't pay any tax?

Mr. Gillis: Yes. The mobile home becomes part of the land under this, and therefore there is only one owner, the owner of the land; and he's responsible for transmitting the taxes to the municipality.

Mr. Good: Can you effect refunds and write-offs to the same man if he pulls out in the middle of the year?

Mr. Gillis: Yes, the refunds and all that will be done under section 636 of the Municipal Act.

Mr. Good: Oh, I see. And you think there will be a better basis, then, after you reassess them?

Mr. Gillis: Yes, there is no question there will be. There will be a much better relationship.

Mr. Good: That's all for the moment, Mr. Chairman. Thank you.

Mr. Chairman: The mobile home owner will be on the assessment roll?

Mr. Gillis: Yes, he will be on the assessment roll as a tenant and he will be notified of his assessment as are all tenants.

Mr. Chairman: And eligible to vote in elections?

Mr. Gillis: Oh, yes. He will be eligible for everything.

Mr. Chairman: Are there any further questions?

Mrs. Campbell: May I just ask one quick question? When did you change the assessment of parking lots in Toronto?

Mr. Gillis: I would say that was probably in 1965—no, probably in 1966, 1967 or 1968.

Mrs. Campbell: No, no, I mean since that time.

Mr. Gillis: Do you mean the Act was amended?

Mrs. Campbell: I'm just talking about the straight assessment, because they did have a great and privileged position. I was advised at a public meeting that no longer applies and I want to know when you changed the position.

Mr. Gillis: We tried to straighten out all the land values and we tried to straighten out the assessments on apartment buildings. We did that in 1971 and 1972, and to that extent we raised those land values so they compared with the surrounding lands, assuming that the sale prices were the same and what have you. That was all done in 1971 and 1972.

Mrs. Campbell: So that those in the downtown area, which really have very little to do with an apartment building, have been assessed on the basis of Commerce Court or something?

Mr. Gillis: Perhaps not on exactly the same basis as Commerce Court, but much closer to it than they were before. That includes the CPR land, where that deal was made to close the street, and the Royal York Hotel.

Mrs. Campbell: Sure. When did that take place?

Mr. Gillis: In 1971 and 1972.

Mr. Chairman: Mr. Cassidy.

Mr. Cassidy: Several things, Mr. Chairman. I'd like to return to the point we were making before. I guess now I have to plead with the minister to try to open the ministry up, because right now I can predict some very serious problems ahead.

Perhaps I can ask what information would be available to appellants if they go before the assessment review court after market value assessment is introduced?

Hon. Mr. Meen: I think Mr. Gillis would have that right at his fingertips.

Mr. Gillis: The appellant, now, will be entitled to all the information with respect to his own property and all the pertinent information with respect to any property with which he wishes to compare.

Mr. Cassidy: What pertinent information is that?

Mr. Gillis: This would include how it compares with his in size, any sale prices, any rentals, how many bedrooms it has, how many bathrooms, whether it has a swimming pool or not. He will be shown the records with respect to it.

He will not be allowed to copy them. He will not be shown any particular parts of the transaction dealing with second mortgage or the raising of money. All the physical attributes of that property that may or may not be comparable with his will be readily available to him, and are now.

Mr. Cassidy: And in addition the evaluation, is that right?

Mr. Gillis: Oh, the evaluation he will know anyway, because he can go to the assessment roll or any place to get that. That's public information.

Mr. Cassidy: What access will he have through the computer to records of comparable properties in his area?

Mr. Gillis: He will be shown how it works. There will be a terminal at the office he visits. He can call on that computer, and if it works well get any of the comparisons he wishes to make within five seconds.

Mr. Cassidy: So that computer terminal will be accessible to the public, is that right?

Mr. Gillis: In our office, yes.

Mr. Cassidy: In your office. I'm pleased to hear that because of the problem that in fact exists right now. As you know, when an appellant goes before the assessment review court, he has laboriously prepared three or four cases of properties he thinks to be comparable. The assessor, in the meantime, has been able, with his knowledge of the files and the computer time available and so on, to summon up to 10 or 15 cases, and he just demolishes the case the other fellow is putting.

Mr. Gillis: Yes. If his house was built, say, in 1950, was two-storey, had six rooms, two bathrooms and all the rest of it, he can ask us for any houses in that municipality that were built in that year, or any year close to it, with that square foot area, with that number of bedrooms; and the computer will print out

the names of the owner, the addresses, and all the particulars with respect to all of them. So he doesn't have to drive around in his car to look for them or try to search for them or anything else.

Mr. Good: That is at the regional level?

Mr. Gillis: That's at the regional level, yes.

Mr. Cassidy: How many regional offices do you have?

Mr. Gillis: There are 31, with a number of suboffices. They are pretty readily accessible.

Mr. Cassidy: So they're fairly accessible then?

Mr. Gillis: That's right.

Mr. Cassidy: Within 25 or 50 miles.

Mr. Gillis: Four are in Metro Toronto. One for the city and one for the boroughs of Scarborough and East York, one for North York and one for Etobicoke.

Mr. Cassidy: To the minister again: The use of sophisticated equipment like that is something that takes time for the public to learn as well. You can't have 2.5 million people coming in the third and fourth week of the 28-day appeal period, and trying to learn—

Hon. Mr. Meen: They won't need to. They have to file their appeal within that period. I recognize—and I said this to the hon. member earlier—I recognize there may be a jam up. If there is we might find it necessary to extend the time for returns.

But as I see it, the time for appeal is 28 days. That's simply for filing your notice of appeal. Then, at your convenience, you can go in and get the necessary information for the conduct of your own appeal.

Mr. Cassidy: Let me make a suggestion to the minister, or let me ask another question first. What is the information that will be available to you on the rolls in July of this year, which you intend to pass on to TEIGA? Do I understand that the current, which would be mid-1975, market value assessment of every residential property in the province will be on your computers in the middle of this year?

Mr. Gillis: No. What will be on the computer on July 1 of this year is all of the assessments based on a 1972 base year, and the adjustment factors necessary to bring them through to the end of 1974. That is what's being made available to TEIGA at the moment.

Mr. Cassidy: So it's end of 1974, is that right?

Mr. Gillis: End of 1974.

Mr. Cassidy: Okay. I would like to make a couple of suggestions to the minister. One is on the policy-making process in terms of general guidelines—not how you do it specifically; what the weighting factor is and so on but the general kinds of things—you should go ahead with that now. It seems to me you've already been telling us it's the minister's determination, and at least at the beginning you don't want to shift commercial or industrial tax or assessment over to residential. How you do that is another matter, but your policy decision is that the burden of residential tax relative to the other kinds of—

Hon. Mr. Meen: Will not be increased.

Mr. Cassidy: Will not be increased. That is pretty unequivocal. You've also said that sharp changes—or maybe sharp increases, I'm not sure which—in tax within a class, such as residential—

Hon. Mr. Meen: I don't think I'd ever have any reluctance about a sharp decrease.

Mr. Cassidy: Pardon?

Hon. Mr. Meen: It's really sharp increases I had in mind.

Mr. Cassidy: Okay, fine. You might have cushioned the sharp decrease in order to help pay for the other one but—

Hon. Mr. Meen: Yes, automatically you do.

Mr. Cassidy: You've also said you will cushion sharp increases. Given those two determinations of policy, starting in July it would be possible for you to start releasing information on an area-by-area or region-by-region basis to people—

Hon. Mr. Meen: I doubt if it can be.

Mr. Cassidy: —which could say to them: Here is what the market value of your place would have been at Dec. 31, 1974—or whatever day it happens to be—and this is an indication of how it's going to look when we move to market value assessment in the end of 1976. This assessment of yours is 3.8 times what you had before. Assessments in your community have risen by 3.2 times or 4.8 times or whatever. Then you go into a public relations job in order to explain to people how it works, how mill rates work and how mill rates go down when assessments go up. You've got to do that kind of educative process at some point and it seems to me it would be better to start it now than wait until an exceptionally harassing period at the end of 1976.

Hon. Mr. Meen: Would the member be prepared to endorse a fairly expensive advertising programme?

Mr. Cassidy: You blew half a million dollars on the homeowners and half a million dollars on Wintario, so when it's to your political advantage it seems to me you're not hesitant at all. Of course, this is going to cost money but you're spending \$44 million a year right now—

Hon. Mr. Meen: When we have something to tell the people of a constructive nature, something that will be meaningful to them at an appropriate time—namely, when they're starting to get their assessment notices—I think that would be the time for us to put on such a programme of education. That, of course, is something we would give serious consideration to.

Mr. Cassidy: I don't know who is telling you to say this, Mr. Minister. I hope it's not the staff which is just overwhelming a weak minister, but I try—

Hon. Mr. Meen: Thanks a lot!

Mr. Cassidy: Well, what are you doing then? What is your commitment to providing information to the public in this particular area for which you happen to be responsible?

Hon. Mr. Meen: I have already indicated that to you.

Mr. Cassidy: No you have not. You have said you will keep the information to the very last minute and then you will come out with the tax bills. That's when the information will be made available, and we will be paying the price for that for years afterwards. We will have had almost an entire decade when up-to-date information on assessments was not being made available and then it will come out in a great burst.

Surely you can do better than that! If the minister wants to say he needs \$1 million or so in order to start a public information programme, so be it. It's a reasonable kind of expenditure for a job which needs to be done, but it is not reasonable to leave a situation as it stands right now.

Hon. Mr. Meen: It will be reasonable to spend the money at a time when we have the information which is suitable to tell the people—

Mr. Cassidy: But you will have considerable information available in July of this year.

Hon. Mr. Meen: No, we will not be able to tell them anything more—

Mr. Cassidy: Yes, you will.

Hon. Mr. Meen: —than what we thought their market value was, and that's not very helpful.

Mr. Chairman: Anything further on these?

Mr. Cassidy: Yes, a few other questions, Mr. Chairman.

Mr. Chairman: Mrs. Campbell.

Mrs. Campbell: I may be mistaken, but I thought Mr. Cassidy had left the room at the time the minister advised he would be meeting with the municipalities. I don't think he gave me the timing of it but he did say there would be an opportunity for some input from the municipalities at that point. Is that not so?

Hon. Mr. Meen: Yes, that's the basic intention, Mr. Chairman. It will be later this year.

Mr. Cassidy: When would that be?

Hon. Mr. Meen: Probably later this year.

Mr. Cassidy: How much later? How much information?

Hon. Mr. Meen: When we have done our preliminary analysis. When Treasury and Economics have come up with some preliminary figures.

Mr. Cassidy: Will you make that information public as well?

Hon. Mr. Meen: It would be going to the PMLC, which we have always considered to be public.

Mr. Chairman: Mr. Good has a question? Shall these items now carry?

Mr. Cassidy: No, I have more questions, Mr. Chairman.

Mr. Chairman: One more question, Mr. Cassidy?

Mr. Cassidy: No, several more questions as a matter of fact. We don't have to finish these items.

I would like to ask Mr. Gillis if he can tell me whether the following information is correct. I understand an assessor historically has been somebody who values property according to an assessment manual, whereas an appraiser is somebody who seeks to determine the market value of a property. Is that correct?

Mr. Gillis: No, I don't think that that's correct. I think perhaps people that were strictly in the appraisal fraternity would like to believe

that. I would like to believe the assessors we have now are of an equal capacity with an appraiser to measure market value, with or without a particular manual.

Mr. Cassidy: What kind of staff training, or in-house training, do you have for your assessors in administering market value assessment or appraisal?

Mr. Gillis: First and foremost they are now all trained at the community college level, or at least the majority of them are. It's a two-year training course. They receive courses in economics, mathematics, political science and valuation theory as it exists. I must agree not the greatest amount of valid valuation theory has been written by anybody. We don't include one of the techniques that appraisers use, and that is show them how to write a report. We believe the English they take there equips them to write their reports in language anybody can understand.

They are, without a doubt, the best formally-trained property valuers in Canada, and I would say in North America, from the conceptual point of view. The community colleges do an excellent job. They have broadened their courses to equip them for work in any field of real estate endeavour, either to manage property or work for trust or investment companies that deal in property. I don't think, conceptually, there is much more we can add.

Where we hire directly from the university through our standards branch, we give a similar set of courses on a seminar basis. They are taken in for a couple of weeks at a time, carried on in conjunction with their field work. We anticipate, depending on the course they have taken at the university, that they perhaps have sufficient English, political science and economics.

Mrs. Campbell: You trust the people.

Mr. Gillis: We trust that the universities do this; therefore we only add the valuation aspects of their training.

It's in conjunction with field training at the community college level. We supply summer employment to the students from community colleges. We give a summer job to all of them. We grade them and report back to the college. Their participation in our programme during the summer becomes part of their total accreditation at the end of their year. We think they are extremely well trained and that they are better trained than anybody who is in the appraisal business in this country. I think they are perfectly equipped to measure market value, with or without a manual or anything else.

Mr. Cassidy: What in-house training do you have for people after they have come into the ministry and been around for a while?

Mr. Gillis: We take advantage of all the civil service courses with respect to management techniques and that sort of training. We have training courses available on the application of computers and the other various tools that are in our offices to aid them. We encourage them by having fairly substantial sums of money in our estimates to cover this sort of training. We encourage them to participate in seminars and other things that may help them.

We give them time off to attend meetings for the Institute of Municipal Assessors. Most of them are members of the institute. If they hold meetings on Saturday we pay their transportation and reasonable meal allowances when they have to go some distance. We give them time off if it's held in an afternoon, or time off to travel if it's held at night—and with-in reasonable limitations, they are encouraged to do this and we support it.

Mr. Cassidy: How many qualified appraisers do you have on your staff?

Mr. Gillis: We have 1,400, and I think 73 are qualified through the community colleges and the various training courses we give. We have approximately 425 who are members of the Appraisal Institute of Canada.

Mr. Cassidy: That means they have passed the courses of the Appraisal Institute?

Mr. Gillis: That's right.

Mr. Cassidy: I see. Do you encourage people to seek that further qualification as well?

Mr. Gillis: Yes, we do.

Mr. Cassidy: I would like to ask about the municipal enumeration. You are responsible for that, too, is that correct?

Mr. Gillis: That is correct, yes.

Mr. Cassidy: What are you doing to improve that?

Mr. Good: Anything would improve it.

Mrs. Campbell: Anything would be an improvement, that's right.

Mr. Cassidy: The municipalities have complained. Poor old Smiths Falls and Brockville haven't quite recovered from what you did to them a year or so ago, when their grants started to go down because their population was deemed to be dropping.

Hon. Mr. Meen: Their population never had been as high as they thought it was. We got it more accurate than they had.

Mr. Gillis: In the instance of Smiths Falls, for instance, that was a contentious area. We brought all the records up to Smiths Falls. The mayor of Smiths Falls commissioned four service groups in his town to revisit the properties and when he finished that he wrote a letter to the minister saying that he apologized for the fact that he had complained and agreed in total that the figures were correct.

Hon. Mr. Meen: Have you any others you would like to raise like that one?

Mr. Cassidy: Well, you've won on that one, okay. I had to use the municipal lists—

Hon. Mr. Meen: You sure blew that one, to use your own expression.

Mr. Cassidy: It's all right, we didn't have that one on the record until now. I'm not sure if I want it on the record.

The municipal enumeration lists were used as the basis of the voters' list in Carleton East and in Stormont, in Cornwall. It was an experience that nobody wants to repeat, and there were various reasons for that. It was an experiment that didn't work.

But I want to raise that because of the quality of the lists themselves. Quite apart from their being used for provincial purposes, they were exceptionally difficult to use. They were badly printed. They were disorderly—that is they were not in consecutive order of name, place, street and that kind of thing.

Mr. Gillis: I can say this, we provided the lists as they were requested. In the case of Stormont, they asked for a geographical list and we supplied it. In the case of Carleton East, they asked for an alphabetical list and we supplied it.

Mr. Cassidy: I know.

Hon. Mr. Meen: We gave them exactly what they asked for.

Mr. Cassidy: I know that in Carleton East you simply programmed your computer to turn it out alphabetically. Isn't that right?

Mr. Gillis: No, the computer is programmed to do it both ways, because we have many smaller municipalities that want an alphabetical list. Then we have larger municipalities with a regular enumeration that want a geographic list. So our computer is programmed to do it either way.

Mr. Cassidy: That's what I mean—you just press the A, B, C button and there it goes.

Mr. Gillis: That's right.

Mr. Cassidy: I don't blame you for that. I blame them.

Mr. Gillis: With respect to the quality of the particular list, that has to do purely with whether the printing is good—with the print heads on the printer for the computer. All the quality control people had to do was say, "Listen, it's not good"; and within two hours they would have had a new list.

No one ever did. The returning officer in Carleton East was away on holiday. He didn't come back for two weeks and I guess nobody ever looked at the things to see whether they were happy with them or not. It didn't turn out to be very satisfactory; but clearly, if, for instance, any page happens to be badly printed, it's the fact that the print heads on that printer are either getting worn or something like that and they need to be replaced.

Mr. Cassidy: What I noticed in Stormont was that in a number of instances street addresses were jumbled, so you'd go down a street and suddenly come up with 10 or 15 names at the end of the page, or even on the next page, which related to a previous street. That seems to back up the problems that other people have raised in suggesting the municipal enumeration itself, apart from Smiths Falls, has a fair number of defects. I understand you have a card system and you rely on voluntary compliance and that sort of thing for a lot of it. The quality of the way in which it was done, not just the typescript but the way in which it was done and the way in which it was jumbled, suggests that there have been other problems.

Mr. Gillis: All right. Okay. We rely on the municipalities to give us the polling subdivisions. In the instance of Ottawa, if you look at the electoral map, one polling subdivision was comprised of five different parts of the city, with a part of it being at least 1½ miles away from the other.

Mr. Cassidy: It was in that poll, yes.

Mr. Gillis: Then they give us what they call range cards. When they give us a block, they say that it should end at home No. 33 on such and such a street. You may need 50 range cards to block that out. If you don't have a contiguous polling subdivision, then you need 250 or 300 or 400 of them. Even if that computer would get a man to the moon, you can't expect it to react to that kind of a situation.

If the municipalities would do us the favour of setting up their polling subdivisions in the reasonable blocks the Act prescribes and if the municipal people exercise some control on their returning officers so they would do this, all of those problems that you are talking about would go away.

We have municipality after municipality that is completely happy and has no problem at all, and it's exactly the same computer programme that turns out each list. If they were all bad, then you'd say there was something wrong with the sets of programmes or the systems or the way the work was done. But when you only get a few of them that are bad, then you go to look for something else and in every instance you find that God himself couldn't follow those polling subdivisions.

Mr. Cassidy: I don't think that was the problem in Stormont. It was in Carleton East. I'm not really talking about Carleton East because it was the returning officer who was the root of the problems. We can't do it here, but I wish you would look at some of those lists as we had them in last October, because they do suggest that some of the work was done badly. It sort of tallies with the complaints that have been made about the quality of the municipal enumeration. I gather you are sensitive about it and want to try to improve it.

Mr. Gillis: Yes, we have done a lot of things to improve it. For instance, it's a permanent voters' list. It's only an update from what went on before. In each instance, they had the record there before. It's a question of changing it. We have a great amount of difficulties in Toronto with the response. People do not wish to respond to it. They either are breaking some bylaw of the city by having an illegal apartment or something like that. In those instances, we check with the churches and with the school groups and with the boards of education.

Our population is broken down in age groups. If, for instance, in a ward of the city we find out that we've accounted for 12,000 children and really there are 14,000 enrolled in the schools for that ward, then we know we have been missing some of them and we go and try to find them. In some instances, we have come to a conclusion that certain numbers are missing and we do our best to make it up so that they don't suffer a loss in grants through population and what have you. For instance, in the borough of York we ran a complete check. We did it almost over again and there was no way we could improve on the first number that we got. We found another 50 or something out of 200,000 or 300,000.

It's a matter of compliance and people will not respond. Where they are not home, we make three calls. We leave a document at the door to fill in and send back. They don't ever send them back. They don't even do any of these things. Unless there is some way of convincing the people to comply and to know and understand that it's necessary that it would be well for them to reply to these questionnaires, I don't really think there is much more we can do to improve it.

Mr. Cassidy: What arrangements do you have to cross-check your census with the mid-term census that will be made by DBS in 1976?

Mr. Gillis: We are aware of what they find and we make certain checks. But we found that because they do it once every five years or so and they start from scratch, they don't do as well as we do.

Mr. Cassidy: You mean they get fewer people than you do?

An hon. member: Exactly.

Mr. Gillis: It's less accurate. Sometimes they go along and do what the assessors used to do. There was a statistic placed one time that said there were 3½ people to every household. For instance, that's what Smiths Falls did. That's how they got their first population. They multiplied what they thought were the number of households by 3.5 and that was their population. That statistic may be fine for an average for the province, but it's not worth a hoot in a particular ward or municipality.

Mr. Cassidy: That was Newfoundland, not Smiths Falls.

Mr. Gillis: It wasn't Newfoundland. We have found, for instance, in the federal system that there are all kinds of by guesses and by gods. We've found where they've got 15 people, we can find only one pensioner and his wife and we can look all over the world and never find the others. There are a lot of by guesses. At least, in our system there are a lot of checks. When you pay so much a name and what-have-you, there is a tendency by some person who might be hired to be an enumerator to start sticking a goodly number of people in obscure places to build up his take.

Mr. Cassidy: Two final questions: Have you now completed your field assessment of property in the provinces to the 1972 level?

Mr. Gillis: Yes, we have.

Mr. Cassidy: When was that completed?

Mr. Gillis: The exempt properties were completed roughly about Feb. 9 of this year.

Mr. Cassidy: And the non-exempt properties?

Mr. Gillis: The non-exempt properties, by and large, were completed in August, 1974, with the exception of Ottawa and Thunder Bay.

Mr. Cassidy: Regarding the stay on increases in assessments because of improvements in property, does that freeze go along with the freeze on assessments generally?

Hon. Mr. Meen: I think that goes until 1977 too.

Mr. Cassidy: So that has not run out?

Mr. Gillis: Do you mean the \$2,500 moratorium? No, that's the part of the Act now where it would continue beyond 1977 unless there is a policy change by the government and they wished to remove it.

Mr. Good: It wouldn't be reflected in your new market value assessment, would it?

Mr. Gillis: It will automatically go out with the new market value assessments inasmuch as there is no way that we can measure what was a garage that didn't amount to \$2,500, so that will be included. But, commencing with market value—Muskoka, for instance, is carrying on from the date that market value was returned—if you have a house that is assessed at, say, \$35,000 in Muskoka and you put a \$1,700 addition on it, it's not being picked up.

Mr. Good: And that will require a change in the Act?

Mr. Gillis: That will require a change in the Act.

Mr. Chairman: Any further questions?

Mr. Cassidy: Yes, one final one to the minister. What are you doing about Kingston and the areas like Kingston which have a very high level of exempt properties?

Hon. Mr. Meen: Well, that's all part of the study that Treasury and Economics will be conducting.

Mr. Cassidy: So you just don't know. Is that right?

Hon. Mr. Meen: We have indicated that, one way or another, these properties will pay more tax, since they have never been accu-

ately assessed because they were exempt properties. Now we are going to give Treasury and Economics an opportunity to look at cities like Kingston, where such a substantial part of their assessment has been of an exempt nature, to determine what kind of formula should be applied to those in order that they would recover an adequate revenue by way of municipal tax from such properties.

Mr. Cassidy: It is probably costing Kingston about \$2 million or \$3 million a year.

Hon. Mr. Meen: Well, I said when we were in Kingston—and I have said it a few times—that it used to be an asset to be a university town in every respect, but from a fiscal standpoint of late it would appear it's no longer an asset in the sense of taxation.

Mr. Good: Well, I don't find that. Under the new arrangements of the grant system, based on the number of university students, Kingston and Waterloo were the two municipalities that had the largest percentage of non-revenue-producing assessment. I think Kingston had about 30 per cent and we had 25 per cent at Waterloo because of the two universities. But since the grant system came in, even the grant per student which the municipality can charge the university doesn't make up the whole amount of taxation. It is now at a point where it is—

Hon. Mr. Meen: Well, aren't you bearing out what I was saying?

Mr. Good: Yes, but it is no longer as detrimental now.

Hon. Mr. Meen: Oh, it is not as bad as it was. No, we have gone a long way. But it still doesn't approach—

Mr. Cassidy: It's about \$50 a student.

Mr. Good: In fact, in Waterloo they are saying now that it's almost as good as having industrial assessment.

Hon. Mr. Meen: Someone was just saying, "I wonder what the grant for a convict is in Kingston."

Mr. Good: It's \$50.

Mr. Cassidy: There isn't one—unless they are a university student as well!

Mr. Good: Oh no, we added training schools to that list during the past session, and some others—

Hon. Mr. Meen: Penitentiaries?

Mr. Chairman: Any further questions? Mrs. Campbell.

Mrs. Campbell: Could I just ask, on this matter of enumeration, were you able to find the hidden population that we always believed to be there in Toronto?

Mr. Gillis: No, we never do. We made a nine per cent adjustment for one ward in Toronto, because we found more than 14,000 students as against the 12,000 that we had found. But, no, we can't find it. There is a hidden population in York and we couldn't find it either. There is just no way of doing it. A lot of the people, I think, are afraid; they come from countries—

Mrs. Campbell: Oh, they are terrified in some areas. They are terrified if you say you are from any government, whatever it is.

Mr. Gillis: We use enumerators who are skilled in the languages and all that sort of thing, but we can't do it.

Mrs. Campbell: I guess some day, if the cities are really going to be up against it, there may have to be some penalties for people refusing the information, who are not giving the information.

Hon. Mr. Meen: Then you get into the whole question of intrusion and civil rights.

Mrs. Campbell: I know, I recognize that. But it does seem that if a city has to provide services that it should be able—

Hon. Mr. Meen: I recognize that too.

Mrs. Campbell: —to get its grants based on that.

Hon. Mr. Meen: You'll hear no disagreement from me on that.

Mr. Chairman: Shall the balance of these estimates pass, then?

Mr. F. Laughren (Nickel Belt): No, Mr. Chairman, are you treating the Province of Ontario Savings Office programme as a sub vote?

Mr. Chairman: Yes. We'll pass 1, 2 and 3 then.

Hon. Mr. Meen: That is actually a statutory vote, Mr. Chairman.

Mr. Chairman: A statutory vote. We discussed it earlier.

Mr. Laughren: I'm sorry, I wasn't here. I don't know what that means.

Mr. Young: Bring him up to date.

Mr. Laughren: No, I don't know what that means.

Mr. Cassidy: We can discuss it now, Mr. Chairman.

Hon. Mr. Meen: We have already discussed it at some length. Mr. Laughren wasn't here, but we did.

Mr. Chairman: Did you have a question on this, Mr. Laughren?

Mr. Laughren: On the savings banks, yes, I did.

Mr. Chairman: You can ask it now, then.

Mr. Laughren: I was wondering whether or not the ministry had thought about the location of the offices. You have 21 offices?

Hon. Mr. Meen: Yes.

Mr. Laughren: Are all of those in Toronto?

Hon. Mr. Meen: No, there are four in Toronto. The rest are around southern Ontario. There is nothing north of the French River. Mr. Chairman, I would just repeat what I did say earlier. I would like to see an extension of the operation of the savings offices, and if I should be able to convince my colleagues of this, I would be looking at some in the north. Indeed, even more around Toronto—the four or five that we have in Toronto are certainly less than adequate.

Mr. Laughren: I'm looking at it for the north, not just in terms of more employment or more civil servants in northern Ontario, but I'm looking at it from the viewpoint of the retention of savings in the north. If there were savings directed through a government savings office, almost like a government-operated bank, then there could be some major reinvestment in northern Ontario using the government savings offices.

Hon. Mr. Meen: I think the hon. member has to remember that the moneys are made available to the province, and go into the province's general revenue fund. Once in the fund they are allocated according to the province's other priorities.

Mr. Laughren: Yes, I understand that.

Hon. Mr. Meen: They aren't necessarily earmarked for the north.

Mr. Laughren: I understand that. The approach I would be taking would require a shift in the whole idea of how you operate

the savings offices, because I would see them more as a chartered bank, provincially operated.

Hon. Mr. Meen: You recognize that the provinces are precluded from operating of banks unless they are prepared to take as little as 10 per cent?

Mr. Laughren: I recognize that.

Hon. Mr. Meen: I think that's the ultimate figure of interest in the bank.

Mr. Laughren: I recognize what BC is doing.

Hon. Mr. Meen: It's a very difficult sort of thing.

Mr. Laughren: I don't believe that. It's not that difficult. If British Columbia can do it, why can't Ontario do it?

Hon. Mr. Meen: Is British Columbia going to do it?

Mr. Laughren: Sure, they are.

Hon. Mr. Meen: I'm not sure they are. They got the right to do it, but I haven't heard they have done it. They're still talking about doing it.

Mr. Laughren: Mr. Chairman, we cannot get from the private sector any indication of the kind of funds that are funnelled through northern Ontario and out again. There is no way we can get that out of either a government source or the private sector, to indicate to us the kind of diversion of wealth that goes from northern Ontario to God only knows where, certainly not just to southern Ontario.

If you had a major operation of the Ontario government up there, where you would be able to do that sort of thing, I think it would bode well for the north. It would give the province some flexibility in terms of development of the north as well. You know yourself that one of the reasons for the cries of alienation in northern Ontario is that there is a feeling up there, a sense of alienation, a feeling that there is more coming out of the north than is going in.

I know that your government—and I don't question those statistics—puts more into northern Ontario per capita than it takes out. I don't question those figures at all; I don't doubt them a bit. But what I'm saying to you is that maybe that's an indication that something is wrong as well—that if that's all you're taking out of the north, and you put so little back in, and it's more than you get out, that perhaps there is something wrong with your

taxation procedures up north. I know that's not your ball of wax, the old question of resource taxation. But I sure would like to see financial institutions in northern Ontario.

Hon. Mr. Meen: I said earlier that I think the POSO branches perform very useful function to the community of Ontario. I would like to see those branches in the north as well as elsewhere in Ontario.

Mr. Laughren: But you would like to see them in the north the way they are now. I don't think you and I see the operations of these—

Hon. Mr. Meen: You are suggesting they should get into loans as well, I would suppose. We talked about this the other day.

Mr. Laughren: Loans, investment, yes. That's exactly what I am saying.

Mr. Good: What good are they?

Hon. Mr. Meen: The kind of operation the Alberta treasury branch has—some 150 in number—provides a number of services but makes no money available to the province. Only the net profits are made available to the province. In terms of net benefit to all the people of Ontario, in the north or in the south, per capita, it is no better demonstrated in Alberta than here by our present operation. I think ours could be improved substantially by an enhancement of the service to the people of Ontario, both around metropolitan areas like Toronto and in smaller areas in the north—Thunder Bay, Sudbury and so on, across the north.

Mr. Laughren: It would seem to me it is an ideal opportunity to expand them when you have the operation there. Once you had expanded them to the north we could go after you and other ministries to change the kind of job they do.

Hon. Mr. Meen: All right, but one step at a time.

Mr. Laughren: Will you make a commitment to put some of them in the north?

Hon. Mr. Meen: No, I won't but I can tell you that's my sentiment.

Mr. Laughren: Is it? If you are not a weak minister, you will do it. Is that fair?

Mr. Young: That's a challenge.

Mr. Laughren: I heard a rumour you were a weak minister and I am trying to spike that rumour, to encourage you to get into the north and flex your muscles.

Mr. Chairman: Yes, Mr. Good?

Mr. Good: What would be the average amount of money like reserves of the savings banks, which would be—

Hon. Mr. Meen: Do you mean the moneys on deposit?

Mr. Good: No, used by the province; the surplus to running day-to-day operations.

Hon. Mr. Meen: Virtually all the money on deposit, which is well over \$200 million, is advanced to the province; \$240 million is on deposit and virtually all of that is advanced to the province.

Mr. Good: That is part of the cash flow of the province?

Hon. Mr. Meen: Yes.

Mr. Young: Isn't there a surplus of \$850,000 a year, something like that?

Hon. Mr. Meen: Did you say losses?

Mr. Young: No, the amount per year put into the Treasury—

Hon. Mr. Meen: Other than the cost of operation.

Mr. Young: —is the total.

Mr. Good: But \$200 million is the amount you have to use on a daily basis; it's cash flow.

Hon. Mr. Meen: Yes, \$240 million.

Mr. Good: In other words, your deficit would be over \$2 billion this year if you didn't have that to use.

Mr. Chairman: Shall this item pass also?

Mr. Cassidy: A couple of questions about that: In addition to the \$2 million or \$2.5 million for administration costs, what is the profit and loss picture of the Province of Ontario Savings Office now? Do we subsidize it or does it pay its expenses out of the—

Hon. Mr. Meen: It pays its expenses out of the moneys it gets in and it has a net profit picture. Perhaps the deputy could answer the question in greater detail.

Mr. D. A. Crosbie (Deputy Minister): There are two answers to the question. Last year the savings office returned something in excess of \$800,000 to the province after paying all operating costs. In addition to that, it is providing—it varies from year to year—at something more than one per cent less than the market value of that money. If you take one per cent on a \$240-million loan, that in effect is additional benefit to the province.

Mr. Cassidy: If you had it in 364-day bills, for example, you would be paying one per cent more, is that right?

Mr. Crosbie: Right, based on the long-term debt, that is.

Mr. Young: It was \$867,305 last year, 1973-1974.

Vote 905 agreed to.

Mr. Chairman: This concludes the estimates of the Ministry of Revenue.

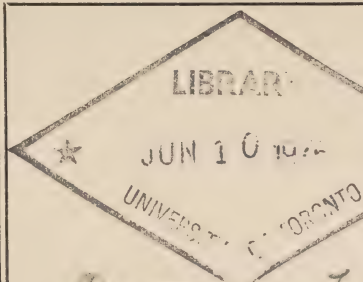
The committee adjourned at 5:50 o'clock, p.m.

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**ESTIMATES, MINISTRY OF
COLLEGES AND UNIVERSITIES**

Standing Social Development Committee 57

Chairman: Mr. R. G. Hodgson

OFFICIAL REPORT — DAILY EDITION

Fifth Session of the Twenty-Ninth Legislature

Monday, May 26, 1975

Afternoon Session

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

THE QUEEN'S PRINTER
PARLIAMENT BUILDINGS, TORONTO
1975

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Daily index of proceedings appears at the back of this issue. Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff (Phone: 965-2159).

LEGISLATIVE ASSEMBLY OF ONTARIO

MONDAY, MAY 26, 1975

The committee met at 3:17 o'clock, p.m.

ESTIMATES, MINISTRY OF COLLEGES AND UNIVERSITIES

Mr. Chairman: Estimates of the Ministry of Colleges and Universities. Mr. Minister, have you an opening statement?

Hon. J. A. C. Auld (Minister of Colleges and Universities): I have, and should I proceed, Mr. Chairman?

Mr. Chairman: Yes.

Hon. Mr. Auld: Since I last presented my ministry's estimates to the committee, the shape of the ministry has changed substantially with the transfer of our former cultural affairs division to the new Ministry of Culture and Recreation.

This year the committee will be asked to vote on expenditures in four areas: Ministry administration; university support; college and adult education support; and student affairs.

I will outline briefly some of the considerations that have gone into our planning in these four areas. However, before doing so, I would like to draw the committee's attention to the changed environment in which we find ourselves operating.

In the Sixties it was a popular notion that higher education was the key to our future prosperity and the universal panacea for all our social ills. I welcome the fact that this myth has been dispelled but I am concerned that the pendulum is now swinging perhaps too far the other way. We now hear more often what Dr. John Deutsch has referred to as "the shrill cry of accountability." I believe the cry is legitimate enough, but it's shrillness is sometimes disturbing.

We're also experiencing an increasing demand for post-secondary courses to be directly related to the job market. Although it is an important function of the post-secondary system to provide qualified graduates for jobs in business and government, we have to ensure that we do not concentrate solely on this function and lose sight of the importance of other traditional functions of institutions of higher learning—such as community service,

the transmission of knowledge and the pursuit of new knowledge through research.

In a nutshell, government funding policies must reflect the real need for economic constraints, and yet maintain a level of support that will not endanger the well-being of our post-secondary institutions, nor diminish their ability to meet the educational needs of the people of Ontario. This has been the guiding philosophy behind our funding proposal.

I would now like to say a few words about the four items on which the committee will be asked to vote. The first, ministry administration, is relatively straightforward. I would just like to point out to the committee the ministry has adjusted its operations to achieve the three per cent reduction in complement referred to in the Treasurer's (Mr. McKeough) budget speech. In a time of expanding demands this reduction has not been easy to accomplish, but I share with my deputy the belief that we should impose on our operations the same stringency in requirements for efficiency that we expect from the institutions.

Turning next to the area of university support, I would first like to put our funding proposals in their historical perspective.

Since 1960, operating support for the university system has risen from \$24.5 million to the proposed level of \$568 million, per year, in the current year. During this same period, capital grants to the universities have totalled about \$1.05 billion. This level of expenditure has been vital to accommodate the massively increased demand for post-secondary education. In view of the current need for financial restraint in all areas of government spending, it is interesting to speculate on what might have happened had the demand for post-secondary education we experienced in the Sixties not coincided with the period of unprecedented prosperity for our province.

At the present time enrolment continues to increase, but at a much more moderate pace than in the Sixties. Simultaneously we are faced by a slowdown in the economy. Consequently, our policy of encouraging economy and consolidation is now even more germane than in the past. And that leads me to a point that I would like now to emphasize.

It has been suggested by some of our critics that the government has adopted a new and restrictive approach to university funding. In fact for many years the government has been reminding universities of the need for economy, and the institutions have received a level of support from the government that was dictated as much by what the province could afford as by what the institutions believed they needed. Even as early as 1966, the Premier (Mr. Davis), then Minister of University Affairs, noted that "government resources are not without limit," and exhorted the universities to "give full recognition to the need for economy." In 1971, the member for London South (Mr. White), as Minister of Colleges and Universities, **reminded the university community** that it was "the determination of the government of Ontario to rationalize education costs with the public resources available for this important function."

During this period, substantial enrolment increases continued and government grants were also increased substantially to meet this growth. However, when the enrolment uncertainty of the Seventies became evident, the government encouraged the institutions to consolidate their operations by providing an annual BIU value increase of, as I say, an average of 4.3 per cent between 1969 and 1970, and 1974 and 1975. The capital moratorium, the embargo on new graduate programmes, and slip-year financing all were indications of our concern about balancing expenditure on higher education with the financial capacity of the province.

I should also emphasize that even during the current period of economic constraint, the government has no need to feel apologetic about the level of funding it has provided for university support. According to a study issued last year by the Organization for Economic Co-operation and Development the average percentage of gross national product spent on higher education in 1970 was 1.3 per cent for the countries studied. Those countries included the US, Denmark, Germany, France and Japan. Those percentages which gave that average ranged from a low of 0.6 per cent in France to a high of 2.5 per cent in the United States. Our best estimate indicates that in the same year 2.8 per cent of the Ontario gross provincial product was devoted to post-secondary education, a level equalled by few other jurisdictions.

Our specific proposals for the current year call for a 16.9 per cent increase to \$568 million in operating support provided to the university system. The percentage increment will be larger than that to be received by either the

Ministry of Health or Ministry of Education. In view of the fact that provincial revenues will only increase by 10.4 per cent, I believe this high level of support is tangible evidence of our determination to maintain the highest possible quality in university education in Ontario.

On the advice of the Ontario Council on University Affairs we have maintained the existing formula for the distribution of operating grants. The total sum allocated to operating support enables us to increase the value of the basic income unit—the BIU—by eight per cent from \$1,955 to \$2,111.

Also on the advice of the OCUA we intend to provide \$1.28 million in northern Ontario grants to Lakehead and Laurentian universities and Laurentian's related colleges: \$7.23 million will be provided in supplementary grants to be distributed among Brock, Carleton, Lakehead, Laurentian, Trent and York Universities and the University of Windsor, in recognition of particular problems faced by these institutions; \$3.12 million will be provided in grants to support bilingualism and French language instruction at the University of Ottawa and its federated university, St. Paul, Laurentian University and its associated institutions, the University of Sudbury and College De Hearst, and Glendon College of York University.

We have been unable to accept a further recommendation by the OCUA that an additional sum of \$16.2 million be allocated to the university system for operating support.

We have to face the fact that legitimate demands for funds from the province far outstrip provincial revenues. We are already facing a substantial deficit and the provision of additional operating support to the universities would only aggravate our position. Consequently, despite the persuasive nature of the council's recommendations, we felt obliged to maintain operating support to the university system at the \$568 million level.

I have also made it quite clear to the institutions that we do not foresee any dramatic change in the level of funding for the next few years. As I said earlier, the challenge we are facing is to contain the growth of expenditures within the limits of available funds without compromising the quality of the university system or unduly limiting any of its essential roles. I don't pretend that the task is an easy one, but my discussions with the university community persuade me that it can and it will be accomplished.

Turning now, briefly, to the third vote—colleges and adult education support—I would first like to summarize in general terms the

situation of the colleges of applied arts and technology.

The financial restraints that we are compelled to impose on post-secondary institutions affect the colleges at least as severely as the universities. Many colleges are still faced with the opportunity to increase their enrolment annually on a scale comparable to the universities in the 1960s. However, they have even less flexibility than the universities to accommodate growth as their largest single expenditure—faculty salaries and the monetary effects of workload provisions—is dictated by collective bargaining agreements between the Civil Service Association of Ontario and the Ontario Council of Regents.

As a result of this lack of flexibility some colleges are finding it necessary to limit their enrolment to a degree that is inconsistent with their original mandate to respond to the demand for post-secondary courses within their community. It is unfortunate that the government has been compelled to limit the financial resources available to the colleges before the college system as a whole has reached its full potential and before the original objective of providing each college with basic campus facilities has been attained. However, eight years' experience with the college system indicates that its original objectives were well founded, and I would hope that the current period of restraint will enable the colleges to rationalize and stabilize the growth they have achieved so far and will represent only a temporary slowing down in the system's steady progress toward its original goals.

We have established a total allocation for operating support to the colleges of \$201 million, representing an increase of nearly 16 per cent over 1974-1975. On the advice of the Ontario Council of Regents, we've discontinued the formula for the distribution of operating grants that had been used in the past. Instead, the council recommended that each college receive an increase of 11 per cent over its 1974-1975 operating grant to compensate for the impact of inflation and that the remaining funds be distributed among the colleges according to their enrolment growth between 1973-1974, and 1974-1975. I have accepted this recommendation.

In the area of manpower training, the most significant development we anticipate in the current year is the transfer to the colleges of applied arts and technology of 23 development officers currently working in my ministry's manpower training branch. These development officers carry out occupational analyses and prepare detailed training programmes for companies seeking federal support under the

federal government's Canada Manpower industrial training programme. Their transfer to the colleges will enable each college to co-ordinate its industrial training activity.

My discussions with the presidents and board chairmen of the various colleges and the spirit of co-operation between the ministry, the various institutions and the Ontario Council of Regents, convince me that the successful development of the colleges of applied arts and technology will progress despite the continuing need for financial restraint.

Mr. Chairman, I would now like to refer briefly to the final vote, Student Affairs. I covered our major proposals in detail in my statement to the Legislature on March 18, so I will just briefly review the highlights for the committee.

Dealing first with the largest programme, the Ontario Student Assistance Programme, we propose to increase the total budget to \$46.55 million, up approximately 18 per cent over expenditures in 1974-1975. This increase will enable us to provide living allowances for individual students of up to \$57.50 per week, an 18.5 per cent increase over the equivalent figure for last year.

Students will also have the option of applying for assistance from the Canada Student Loans Plan only. This option will give them access to more money than they could obtain from OSAP. However, it would all be in the form of a loan that would eventually have to be repaid.

To compensate for some of the shortcomings of the Canada Student Loans programme, we also plan to introduce two new programmes starting in September of this year.

The Ontario Special Bursary Programme will make bursaries available to the most needy part-time students. This programme is an expanded version of a similar and successful pilot programme we have operated at a limited number of institutions for the past two years.

The second new programme is the Ontario Student Loans Plan, which will provide loans to part-time students and others ineligible for aid from the Canada Student Loans Plan.

In addition, we are continuing the Ontario Graduate Scholarship Programme with a budget allocation of \$3 million and a number of other fellowships, scholarship and bursary programmes, some of which are funded by the federal government and are related to improving the quality of teaching in French and encouraging Ontario students to study in French.

In conclusion, I would like to remind the committee that the whole subject of student

assistance is currently being studied by the Interim Advisory Committee on Financial Assistance for Students, chaired jointly by the chairmen of the Ontario Council on University Affairs and the Ontario Council of Regents. The advisory committee expects to give me its final report next year.

Finally I would like to mention the two Experience '75 youth programmes being co-ordinated by our ministry.

Under the first programme, we will provide up to 150 people with interest-free loans, to a maximum of \$1,000 per venture, to own and operate their own summer businesses. Successful applicants will be required to provide progress reports and financial statements on a regular basis and to repay their loan at the end of the summer.

The second programme, which will employ up to 450 people, is co-ordinated through the YMCA of Metropolitan Toronto. It will encourage students to develop and operate low-risk businesses with guidance from trained staff and some initial capitalization. Both of these ventures are based on similar programmes which operated successfully in 1974, and their total proposed budget is \$234,000.

Mr. Chairman, that concludes my summary of our ministry's proposals. We'll of course be very happy to provide further details to the members as the committee considers the individual votes. I might say, Mr. Chairman, that on my left is Dr. J. Gordon Parr, the deputy minister, on his left Mr. Frank Kidd, the executive director of common services, and on his left Doug Holder, who is the manager of budget services policy—he's our budget expert.

Mr. Chairman: On page S12, vote 2501.
Mr. Deacon.

Mr. D. M. Deacon (York Centre): Mr. Chairman, as the new critic of this ministry, I have a few comments I'd like to make before we get into the details of the budget.

First of all, I certainly agree with the minister that the total amount of money allocated to this has to be taken in the context of the total budget of the province and what we have available for this and other demands. But I am interested in his comments that he feels that the administrative costs have been kept under control. I've noticed since the year 1973 the administrative costs have increased by 100 per cent, and the actual budget has increased about 50 per cent. It doesn't indicate that you actually have kept in line with the overhead costs of four years ago. Even though this coming year you may be down from what you were last year, you still are not carrying out

what you earlier indicated to be a reduction in overhead in the administration.

Are we not duplicating quite a bit in what the Council on University Affairs can do, and what the Council of Regents are doing, and what's going on in the ministry? Are there things that we should be delegating to the Council on University Affairs and co-ordinating planning—with the chairmanship of the meetings maybe carried out by ministry people, but the actual decisions being made by people who are experiencing the problem itself.

The minister just said that the Council on University Affairs indicated they wanted to continue the present BIU formula. But isn't there a great deal of evidence that the formula that the government has been using in the past has actually greatly distorted the type of programmes and courses that not only the universities but also the colleges have presented, and that the uncertainty about what the budget will be year after year, and the formula, has caused him great problems?

For this reason, I suggest that the minister should consider getting away from these formulas and, after setting the total global amount that he has available for universities, and the global amount he has available for the colleges themselves, that he then work through the Council of Regents and the Council on University Affairs to divide the total amount between the universities—letting them take into account general government policy of giving extra assistance to the smaller universities, extra assistance which the federal government of course is providing for the French programmes or any other special areas like that. But it should be done much more openly and not done by some sort of a formula that can be so distorting in its result.

I also question the whole matter of autonomy with regard to the setting of fees, the accessibility to courses. Surely the key should be a system of accountability of the universities and the colleges to the communities that they serve. In the case of universities, the community is the province as a whole; to colleges, it is a much more local community—as they were originally designed to be.

Surely the ministry should be assisting in the evaluation of those institutions in the various areas for which they are responsible—not just the preparation of students for jobs. As the minister suggested, there are responsibilities other than the passing on of knowledge.

Surely those institutions have a good idea of how they are rating. They are capable of working out evaluation procedures as has been shown by work the ministry has done in the

past. They have made some attempts in evaluation of colleges in the health-related fields. You have carried out evaluation studies where they have come up with some very fine procedures to measure the standard each of these colleges has reached in the courses they are handling—in the health field, the social sciences field, the communications field. But it hasn't been done in all areas.

I would think this would enable those hiring students to have a much better idea of what sort of standard the graduates of that institution may have attained. It would enable the community to assess the quality of the work being carried on by the institution. It would give the institution a degree of autonomy, yet at the same time maintain accountability to the public and to its peers.

I have been pleased with the way that the ministry has gradually improved rotation on the Council of Regents. I am not sure that a good deal more can't be done in amendments to the Universities Act to be sure that those bodies that control the policies and the direction of these educational institutions are truly representative of the communities—as they are supposed to be. For example, at the University of Toronto the attendance at meetings by those appointed by the government on behalf of the public has not been nearly as good as the attendance of faculty members and students.

Maybe there needs to be some change in the people we are appointing. Maybe we are not getting people who really have the time to contribute—we know that some of the best people are the ones who are the busiest, that they maybe make a significant contribution in less time than others can.

In attendance reports of the University of Toronto—I am trying to find the actual information here; it gives some of the statistics—you will notice that the best people attending are very infrequently the ones appointed at large by the ministry.

I can't seem to find that at the moment. I will get back to it later on when we come back to that problem.

Then we get to the matter of the faculty problems. What progress has been made by the ministry with regard to the recommendations made by the select committee regarding the percentage of Canadians on faculties? Is there some sort of monitoring being carried out on this by the ministry. In effect, so that we are not telling universities what they should have, but that we are aware of where there is a distortion, where there is a particularly high non-Canadian element in the faculty? And also so there is accountability to the com-

munity for the degree to which they are going outside of Canada for their faculty? We know that a great many of the finest scholars who have come to universities have been from outside of Canada. At the same time, we don't want the old school tie situation to prevent appointment of well qualified Canadians to openings.

The other area is the matter of the appointment of women. There was a report done a few years ago, from 1972 to 1973, that showed the female faculty earned less money in every rank above that of instructor. Has there been a monitoring carried out since that time to actually ensure that women are getting equal opportunities? Discrimination certainly was apparent in the past. Is it being overcome or has it been overlooked? Has the ministry been doing a monitoring in the same way it is doing it as far as the Canadian element in our university faculties is concerned?

I have brought to the minister's attention in the past some of the pension problems of people in the faculties. I have also mentioned in the past the distortion, particularly for part-time staff. There are a lot of older, experienced people who do a good job as part-time staff. They are, maybe, retired from some position, but they are not in a position where they can go on full-time staff. The number of hours a part-time person has to teach to qualify is a great deal more than the number of hours they do if they are on full-time staff to get the same pension rights. This doesn't seem to be fair. It's something I feel should be looked into, and corrected.

Last week, I spent a little time with some of the people who are dealing with admission of students to the universities. They are very concerned about the increasing discrepancy between the standards students have reached in the various schools in Ontario. Instead of the variations becoming less, they have in fact, been increasing sharply. Very few want to go back to the matriculation of the old days, but they do feel there has to be a better system than we now have. Is the ministry going back to the tests they had a few years ago, which, I think, were dropped because students had to pay the \$11 per student charge for the examination? However, it was a testing procedure that was standard across the province to help evaluate the readiness of the students for admission to universities. If this testing was on an across-the-province basis, universities could get a reasonable assessment of the student's qualifications. At present, they are experiencing great difficulty.

For example, in the engineering schools, those who have taken English courses, and

have the credit, can't write a report. The variation is so extreme at present they are having to very severely penalize first-year students on the English in their reports, in order to try to press their point home. They are providing, I think, something in the order of eight different English preparation courses because of eight different levels of students coming in.

Interjection by an hon. member.

Mr. Deacon: Sociologists are having trouble with their mathematics. It emphasizes the need for co-ordination between the Ministry of Education and Colleges and Universities in this whole matter of core subjects. We must achieve a reasonable basis of evaluation that the universities can count on to avoid a great deal of wasted university time and money, as well as the student time, money and frustration. It's a pretty tough experience when students suddenly get into the real world outside the high school system. They find themselves, after many years of work, and what they thought was accomplishment, unqualified for a lot of the courses they have entered. There is a whole problem of students coming to the end of 13 years of school and then finding they have not qualified for some course that they now wish to take in university. That is not your problem, but it is a problem of your co-ordination with the Ministry of Education on this matter.

We are interested in what is being done to improve the whole area of apprenticeship, in making more use of the traditional ideas of apprenticeship in training people for jobs in the end, using the Waterloo system, so that there's a moving back and forth between the job opportunities and the training in the college or the university. One of the systems in the evaluation procedure that you used in the health field and in the others that I mentioned was one where not only was there an evaluation done by outsiders, by people who were outside the system, but at the same time there was an evaluation done by people within the college concerned, and then the two groups got together and compared their evaluations and discussed them. It was done with a view to really trying to improve the teaching by some of the faculty members and improving course content.

There's a tremendous improvement in the value we can get from our dollar in this area, and I'm sure we can make much more use of evaluation procedures and emphasize that. I would think that that is one of the areas the ministry's funds should be devoted to more than anything else, rather than the ministry trying to direct what is being done in these colleges. That's where your administration

budget is quite heavy, in the area of the CAATs. Much more emphasis should be placed on helping the colleges do their own evaluation with far less interference and direction from us as to what they're doing.

Those are the main comments that I would like to make at this time, Mr. Chairman. I'm looking forward to participating later on.

Hon. Mr. Auld: Don, can I ask you two questions? You mentioned pensions. Were you speaking primarily of the college staff or the university staff?

Mr. Deacon: I am thinking about the college staff. Ryerson is one of the particular ones I've come across, and I've come across some other part-time people who get caught. They have to teach many more hours a week as part-time instructors than they do as full-time, in order to get the same benefits.

Hon. Mr. Auld: One other question on that last point you were making, really you're speaking of evaluation of teaching techniques and this sort of thing?

Mr. Deacon: The evaluation of the value of the courses. I can get into that in more detail here.

Hon. Mr. Auld: Perhaps that would be related to the colleges.

Mr. Deacon: It's an evaluation involving the students, the graduates, the field placement people. It's something that's done outside government, so that there's no loss of face by anybody to any great extent. To my mind that area is one way that we can make these universities and colleges much more autonomous and people less critical of government interference. At the same time it ensures they are truly accountable to the community they are supposed to serve.

I'd like to hear more of what you're doing to expand this whole area of evaluation and to remove your ministry from interference as to what they're going to be doing. I'd like to be sure that we move away from these formulas which cause so much distortion in their planning and in the way they present their courses; it's the popular course that they're often pushing and they really don't think they should be because they can see changes in needs. For example, for a while they were pushing teachers but then we got so many teachers in before we had a chance to discourage them by having much more public exposure as to what really was happening, we had already over-produced teachers.

I think it would help a great deal in the future planning of these colleges if they got

away from these—I keep forgetting the name of that formula you use—BIU formulas and you went much more to evaluation procedures that include both outside and inside evaluating bodies and bringing them together.

Mr. Chairman: We will hear from the member for Nickel Belt, for his party.

Mr. F. Laughren (Nickel Belt): Thank you, Mr. Chairman. I was glad to hear the minister make an opening statement. I was disappointed, however, that he didn't offer any advice to the universities or colleges which are having particularly acute financial problems. I thought it would have been an appropriate time—perhaps in a philosophical frame—to give them some advice and to offer some assurances, because there are some universities which are feeling somewhat threatened, believing that you have no intention of seeing their deficits continue.

If I could say one good thing about your ministry, and then get on with my real business, I would say that I appreciated your proviso, when you announced the increased grants to the universities, that they would be expected to hold tuition fees at the same level. I think it was an indication, however—now that I have said the nice thing—that you were aware that it was the kind of grants that would tempt the universities to raise their fees, because I am sure you were aware that they were going to be headed for considerable deficits.

If I could just comment very briefly on what Mr. Deacon has said, I am very uneasy about his supporting a system of financing other than formula financing, whereby the universities periodically line up with a tin cup at Queen's Park. I think the BIU system should be used as the base, and then some kind of formula beyond that to apply to universities—such as Laurentian, Ottawa, Brock and Lakehead—so that they know what to expect. At the present time a very large portion of some of those university grants are in the form of supplementary grants. I think that must make it very difficult for them.

The whole question of standards, which Mr. Deacon also touched on, has always bothered me. And this doesn't apply to Mr. Deacon himself, I don't think it does—

Mr. Deacon: It might.

Mr. Laughren: It might, yes, you are quite right. Standards can be used as the last refuge of the elitist. It's one of way of restricting enrolment and if we look at the kind of marks that students have and correlate it with their family background and family income and socio-economic status, then you can see there

is a fairly high correlation between high marks and high income. I would be very worried about going back to the old system.

As far as the problem of engineers not being able to write a report goes, I am not too sure that that's any different than it was 10 years ago. I am not too sure that you can say that the standards are deteriorating because an engineer can't write a report today—or, conversely, that a social scientist has trouble with geometry or trigonometry. So I am a little concerned about some of those things.

I agree that the community colleges have less flexibility than the universities. It is unfortunate that they were crunched right in the middle of their growth. They had achieved no degree of maturity before the moratorium hit them and before all the restraints were imposed on them.

I have been reading some material on Saskatchewan, not because it's a New Democratic Party province, but because of some of the things that they set out to do with their community college system. As a matter of fact, it was an issue back in the 1971 campaign, and I will be bringing that up in more detail on the community college vote, but I think that that's an area where this ministry should be paying some attention.

When we talk about post-secondary education, it seems to me that we lose sight sometimes of what it is, we are talking about. To the public out there it is very often only an abstraction, partly because not many people partake of it or identify with it.

I represent a riding that almost entirely consists of blue-collar working people in the mining and lumbering industries. I sent a questionnaire to them recently and one of the questions was, "Do you believe tuition fees should be abolished at our post-secondary institutions?" There were a number of questions which really confronted people such as, "Do you believe that our natural resources should be under public ownership?" "Do you believe that teachers and civil servants should have the right to strike?" and so forth. They were really confronting people with questions. They were not just pat kind of questions.

A surprising number of people wrote back and said, "No, tuition fees should not be abolished." Of course, one reason for that is those people never attended a post-secondary institution themselves. Very often their children have very little chance of attending one of those institutions and they see themselves, once again, subsidizing the privileged people in our society who can attend. I think that's something the ministry fails to realize.

I think, as well, that post-secondary education—this is why I disagree with the minister—benefits society as a whole and that the individual should not be singled out as the one who benefits from post-secondary education. That's where you and I part company. It's partly ideological and, I suppose, partly educational philosophy.

I think, as well, the whole question of who pays for post-secondary education and how much they pay is tied in with that. Of course, I happen to believe that, as society benefits, society should pay. Whether or not, someone has achieved university education or college education, if they're reaping the benefits of this society, they should pay for reaping those benefits through the taxation system.

At the present time the college and university community is beset with problems. We have the staff considering collective bargaining and, in some cases, moving ahead to organize themselves for that purpose. We have the students who have a major concern over student aid and the level of tuition fees. We have the staffs in the various institutions trying to keep their salaries up with the private sector's and, indeed, with other areas of the public sector. They have the collective bargaining process—by and large I think most of them have—to help them do that.

The government, of course, and this ministry in particular, has all those concerns as well plus one more and that's the whole question of fiscal restraint and limited resources with which to satisfy those demands. I realize that. I think to resolve it we must start with certain premises. Once again I'll tell you the premises I started with and I hope that if we keep chewing at each other for enough years across these tables you will have more of the premises I have.

Hon. Mr. Auld: Under these circumstances, 20 years.

Mr. Laughren: Twenty years? Is that comment on your absorption rate or is it a comment on my lack of persuasiveness?

Hon. Mr. Auld: It doesn't really matter as long as it happens that way.

Mr. Laughren: I don't think it will take 20 years. You might be very surprised at how short the new tenure will be.

Hon. Mr. Auld: I said last year I was hoping to keep you out of the classroom.

Mr. Laughren: It's not going to happen. I'm going to go back to the classroom voluntarily. I can make that commitment to you right now.

I guess I see education, even at the post-secondary level, as an agent of social change. I don't expect you to see it as that. I see it as part of a package and that's why whenever I talk about the abolition of tuition fees I put it in as part of a package of tax reform and providing services to families in their formative years to provide counselling and daycare centres and so forth.

Obviously, starting at the post-secondary level isn't the answer. Most of the damage to our economic system has been done by then. I see that as a highly ideological problem. I can place the blame almost entirely on our economic system. I think the whole question of equity in our society is being dealt with at a very superficial level.

We know, from all the statistics that are available year after year from Statistics Canada, that the distribution of income in this country doesn't change one whit; it doesn't change at all. Those in the bottom quintile of the population still earn as little of the total wealth of the country as they did right after the war, 25 or 30 years ago.

We know as well that despite the fact that universities and colleges are public institutions and funded with public money, they are lacking in accountability. It is the old story of who pays and who benefits. The member for York Centre talked about the governing bodies of the institutions. Nothing has changed there either. It just seems that you are intent upon appointing people who will not rock the boat and who will make sure that nothing really changes, that you inch along. I think that is wrong because as I have said, I see education as an agent of social change—or it should be, anyway.

I don't believe that quality and quantity of education are mutually exclusive. I do believe that we have the kind of society that can educate large numbers of people without sacrificing the quality of education. I think the delivery system is something we should look at in a really profound way, but I think that is something that is difficult to do, whether you are talking about the Ministry of Education or the Ministry of Colleges and Universities. As someone once said, the most entrenched establishment in the western world is the educational establishment—even more so than the military, for example. It is very difficult to really change that.

Those are some of my general criticisms. Now I'd like to talk a little bit about the financing of colleges and universities. I think that there are a number of things you should be doing, which you are not. I think, first of all, that your formula financing should automati-

cally compensate for the rate of inflation. It is not doing that; we know that.

I believe that there should be special and sufficient supplementary funding for bilingual institutions. I think that is very, very important. I know that there is supplementary funding; I know how much it is and I know it is not enough. I think that what is required is funding so that you don't sacrifice the quality of education in either language.

What is happening now—certainly I can speak for Laurentian—is that there is a sense of frustration on the part of both languages that if it wasn't for the fact that the other language had to be taught there would be a better quality of education in that particular language. That is wrong. That is not what bilingual education is supposed to accomplish.

I think you need to come up with some civilized way of convincing the universities primarily—because the colleges don't have any—to share their financial resources, because at the present time it is resources but in the very near future it is going to be deficits that you are going to be asking them to share. I would be really interested, if you would respond when I am through, to know how you see the universities coping with their deficits; when we get into that vote I will deal with it in more detail.

The institutions must be given a much longer time frame in which to plan, in which to hire, because at the present time there is just insufficient time. I don't know how they can operate from year to year. What compounds the problem is the whole question of supplementary grants. They just don't know what they are going to get from year to year. There is no better example of that than Laurentian with its bilingual grants. I believe there has been virtually no research—as I see it anyway—or not very much research on the delivery system of education I mentioned.

I think we have just quantified it and institutionalized it in such a way it appears there are no alternatives, and I'm sure there are. Maybe there are no alternatives in 1975-1976 or 1976-1977 or 1977-1978, but there has to be alternatives in the years to come to the way we deliver education. I believe that is true at the primary and secondary levels as well.

I don't know what kind of research you are doing. I have served on the select committee with the chairman of the committee here, as a matter of fact. We were looking at alternative delivery systems for post-secondary education but I wonder what the ministry is doing in that.

I think the financing of the community colleges is really bad. I still believe we must keep the BIUs as the base but I think what has

happened with the colleges is they have had no incentive to diversify and get out into the community. As a matter of fact, there is a disincentive.

The colleges right now which are having the most serious financial problems, as I understand anyway, are those with multi-campus—I believe you say campi. That is wrong. Those are not the colleges which should be discriminated against. Those are the ones which should be encouraged; they are getting out into the communities. I keep going back to the basic document of the colleges and that was a good document. That was the direction they should have moved in, and that is why I have a running war with the Ontario Council of Regents.

I think when we talk about funding, whether we are talking about the colleges or the universities, the ministry doesn't seem to have taken into consideration some of the extraordinary cost increases faced by the institutions. I have one of the briefs presented to the Ontario Council on University Affairs. I think it is from McMaster and deals with the increases in the cost of library materials in relation to the cost of living between 1967 and 1974. The cost of books and the cost of living was almost identical but the cost of serial services—I'll give you the actual index numbers. The cost of living was 145.58; that is in 1974 compared to 1967. The cost of books was 145.81, so they are almost identical. The cost of serial services was 163.19 and the cost of periodicals was 220.82. You can see a remarkable increase in the cost of periodicals for the universities.

There is a selected number of items I picked out of the University of Toronto brief in which they talk about the effect of inflation on non-salary expenditures. These are the average annual increases in the prices of these goods. Furniture, 28 to 57 per cent; janitorial supplies, 15 per cent; laboratory supplies, 12 per cent; laboratory chemicals, 20 to 35 per cent; paper: printed forms 36 per cent, Xerox copies 35 per cent, computer 26 per cent, hand towels 100 per cent and toilet tissue 100 per cent; oil, 25 per cent; gas, 15 per cent; steam, 16 per cent.

Those are some selected items which have gone up in price faster than the rate of inflation. You are not even meeting the rate of inflation with your BIU percentage increases and, of course, if you look at salaries you will see a problem there as well.

I guess what bothers me is when I see the faculties at the universities fighting for increases which will put them a competitive way with their peers either in other areas of the public sector or in the private sector. I see them taking something away from others in

that same university community, namely, either the students and the kind of education they are to receive or the staffs that are employed in the institutions.

Fortunately, the people in the university community are seeing that too. You're aware I'm sure of the development of something delightfully called "the common front" in post-secondary institutions, where faculty, staff and students are getting together to say, "Look, we're not one another's enemy. We're fighting for a limited resource and the thing we must fight is not the people who are given this limited resource but the people who are handing it out." That, of course, is Queen's Park. I think that an alliance among these three areas is a good thing and will apply the pressure in the province where it belongs, not just at the administration level.

The solution isn't to just automatically award grants as people want them—that's a ridiculous assumption—I think that it should be reviewed almost as a collective bargaining process, letting the chips fall. Of course, the minister has to go to Management Board to get his fair share from his colleagues and at the same time must try to persuade the universities and colleges that they too have a part to play in fiscal restraint, and I understand that. But I think in the long run, some minister of this government—and why not the Minister of Colleges and Universities?—is going to have to deal with the whole question of who gets what portion of the public purse.

We know that Colleges and Universities is getting a smaller share of the public purse than it was previously. That's statistically a fact. I would hope a minister, such as one in one of the social development ministries, would ask why that's happening and would, at the same time, look at some reports that have been done federally by two bodies who can hardly be called subversive agencies, namely the Economic Council of Canada and the Science Council of Canada. Both of those bodies said the same thing. I believe the Science Council said it first, then, in its 10th annual report, the Economic Council said it as well, and that's that there is indeed a financial crisis in the public sector. They're saying this, that in Canada there is a financial crisis in the public sector and that if we're going to deal with it then you must have real wealth created in order to support any future growth in the public sector. Otherwise, it will eat up too large a portion of our country's wealth.

They both offered the same solution, although the Science Council did a better job; the Economic Council just hinted at it. The Science Council said what you're going to have

to do is you're going to have to build any growth in the public sector on a growth in real wealth and that the way to do that is through our natural resources; to industrialize the country. We're not an industrialized country yet. We're probably the most underdeveloped country in the world.

The way you do that is to use the resources as a lever to industrialization to create new wealth which can then support a growth in the public sector. Nobody seems to be dealing with that in the Ontario government, and while it might seem strange to suggest that the Minister of Colleges and Universities lead the way, as a spokesman for the social development field, why not?

I think the major problem in Ontario is not crime or the rising rate of syphilis; I think it's suffering a disease called tunnel vision, where people just look at their own little area of responsibility and don't stand back and take the overview. I think that's a serious problem.

As a matter of fact, I mentioned that Colleges and Universities was getting a smaller share of the public purse, and according to a brief to the Ontario Council on University Affairs by the Council of Ontario Universities—isn't that the old council of presidents? Is that the same group? Yes? In their report, they say that universities must share provincial government funds with other sectors of the economy.

Here, the universities are losing ground. Their portion of provincial budgetary expenditure has been decreasing for the last two years. In 1972, 1973, university grants was 6.1 per cent of the provincial budget expenditures. This declined to 5.7 per cent in 1973-1974 and to an estimated 5.6 per cent in the 1974-1975 fiscal year. I'd be interested in knowing what it is for 1975-1976.

What that really tells me is that you are being had by your colleagues. Why shouldn't you maintain your share of the provincial budget? I can't see that the requirements for post-secondary education have diminished in the last two years. Do we require fewer trained people in our society? Has enrolment dropped off in absolute numbers? Of course it hasn't, and I think that's something that you should be fighting harder for. The council goes on to say:

The principal share losers have been books, periodicals, furniture and equipment and operational supplies and expenses.

Surely, Mr. Chairman, the minister should see that one of the keys to a post-secondary education should be a good library system. As a matter of fact, I think it's been underestimated in its importance. I would pour more resources

into libraries and use them almost as a part of the teaching process, much greater than it has been done in the past. But you won't do it by making libraries bear the brunt of the fight against inflation.

So I think that's something you should fight harder for. At least, for heaven's sake, retain your share of the provincial resource pie.

The question of student aid is one that bothers me. It bothers me because of two things. One, I know who goes to our post-secondary institutions now, and I know that they are still elitists. But, two, I know there are people who could be going but who are not because of financial reasons. That's why I support and the New Democratic Party supports the abolishment of tuition fees.

I see no contradiction in saying that it is an elitist pastime now for people to go to university and the abolishment of fees. As I said earlier, if someone benefits from the rewards of a wealthy society, then they should pay for it. I would very simply make sure that those people who had the income, absorbed the increased costs of tuition fees.

Since the private sector benefits enormously from a well-educated work force—trained for them, almost ready to go—then there could very well be a levy on the private sector as well to pick up the tab. So I think, as a combination of tax reform, of industrialization of our economy, that we can at least begin to eliminate some of the inequities in the accessibility to post-secondary institutions.

I know as well that there have been many various proposals about the kind of student aid we should have. The one that bothers me the most is just raising fees. But almost as much, a close second, I am bothered by the whole contingency repayment scheme that's talked about so much—whereby people get all sorts of money when they are going, but then they pay it back after they graduate.

I think all you are doing that way is saying that some people will have the privilege of graduating with a debt and others will not, and nothing really changes. I think that that's a very, very poor way of doing it.

I think the person who said it as well as anybody had an article published in the *Journal of Canadian Studies*; as a matter of fact it's about a year-and-a-half ago. There was an article entitled "Towards Free Post-Secondary Education?" by Ronald W. Crowley. I don't know whether or not you've read that, Mr. Minister. I would like to quote a paragraph to you:

There can be little doubt that, at the present time, the poor take less advantage of higher education than do other income

groups. However, the fact that they drop out of the school system and hence eliminate the chances of post-secondary education is a social as well as economic phenomenon and hence subject to a variety of factors. It is apparent that were a study of the distribution of benefits made of primary and secondary education in the last century similar conclusions would have been drawn.

For low-income persons, even the existing fees may possibly be a deterrent, especially when combined with considerations of clothing, food, etc. and certainly they are also a greater deterrent than to higher-income individuals. As well, and frequently ignored, is the fact that foregone earnings during school are of much greater significance for poorer people than for rich. Unless there is some direct means of compensating for this, for example, payment of a salary, indirect informational-type programmes to change perceptions of these considerations will need to be continued and expanded.

I think that even the minister, being a Conservative's Conservative, would admit that there is some validity to that and that indeed we don't have equal accessibility in this province. We make a farce out of equity. There have been studies done that show that.

Student protests primarily have subsided. They tend to be less self-centred now, I believe, and I think that's a good thing. We saw a little while ago ads put in the local press by the Students Administrative Council at the University of Toronto based on things that the government was considering in the Province of Ontario. The students came under a lot of criticism for that, because the ad was based on considerations and not on adopted policy. The minister reacted very quickly and immediately got out a press release condemning the students and saying their arguments were baloney. They were based on documents, of which I have copies and I'm sure other people have as well, which show that they were indeed considerations of this government. And, more than just considerations, they were serious considerations, and the minister has admitted it himself.

As a matter of fact, I've got a speech here in which he substantiates basically what the students were trying to say. Some of the documents were from a joint federal-provincial task force on education. I should read that speech now. It is a speech made by the minister back on March 26, 1975, to the Association of Student Awards Officers of Ontario. I have a copy of it here. He says:

We think it is quite appropriate that students who elect to use the post-secondary

system should bear a greater share of the system's cost than the general taxpayers.

You don't talk about the general taxpayer who receives the benefits of that student's education either in form of a high income or the rewards that he gets out of society. You don't talk about it. You don't even mention it. Then you went on to say:

Given the rising costs within the post-secondary system and the institutions' concerns about the current levels of tuition fees, it seems to me more likely that we're going to be thinking about increasing fees rather than abolishing them in 1976-1977.

I don't know what further you need to indicate that the students know what your intentions are or what you are seriously considering. It's obvious what you are seriously considering. Can you blame the students for wanting to spike that kind of serious consideration now, while you're considering it, rather than waiting, let's say, for a fait accompli? I would do everything I could to dissuade you from that kind of approach to post-secondary education myself.

Of course, the editorial writers literally wallow in any kind of news that indicates an increase in public expenditures these days and they don't deal with the whole problem of the public sector either. They just talk about increased expenditures and what that means about our taxes. Nobody ever says, "How are we going to overcome this? How are we going to create the kind of society where we can afford increases in the delivery of services that most people want and expect now of government?" And governments have led people to expect that they have a right to those services.

The students are merely saying to you, "We don't like what you're considering." If you're not considering those, why are you talking about them in your speeches? As a matter of fact, in the federal-provincial task force proposal, the document that was prepared by Stan McRoberts of the Department of the Secretary of State, he says: "Ontario, in a discussion paper for this group, has made the clearest statements in support of income contingency." Well, that's paying back your tuition fees after you graduate; that's what they're talking about. What further proof do we need to know that you are seriously considering these alternatives? I would certainly want to try to discourage you from that kind of approach as well.

If I can, I would like to go back to what I was talking about a few minutes ago, about colleges and universities being public institutions. I have always felt—perhaps it's partly because I am in the Sudbury area, where we

see just who produces well and who receives benefits from it—that our post-secondary institutions were physically built by working people, a few of their sons and daughters attend them, and the institutions then are not run by those same people. The institutions are run by the elite in a community. If we're going to accept the fact that these institutions are run with public funds—and certainly they should be—then, as the member for York Centre said, you must make the institutions not only representative of the community, but much more democratically run as well.

I looked at some statistics I had done a couple of years ago—two years ago now, as a matter of fact—and I was doing some work on how many government appointments to boards and commissions were women as opposed to men. For example—correct me if I'm wrong—I believe that in 1973 what was then called the Committee on University Affairs had three women and 13 men; now it has five women and 20 men. That may not be exactly up to date, but I think it's pretty close. The Ontario Educational Communications Authority has two women and 13 men on its board of 15, and the board of governors at Ryerson has one woman and 13 men.

That's the sort of thing that shows, despite all the statements made by you and by Mr. Winkler, Chairman of the Management Board and by Mr. Welch before him, nothing is really changing. You've still got a token number of women on most boards. I suspect that if I was to go through every community college—which I did two years ago and haven't done since—instead of one out of 12 or 13, there would be two and three, maybe there would even be one with four. But really that's about all. I'll deal with this in more detail when we get to the vote.

The community college system is still the thing that bothers me the most. To this day in the community college system, I do not believe there are any students on any board of governors as voting members. I believe that there is one faculty member in the entire Province of Ontario who is a voting member on a community college board. And that just happens to be in Cambrian College in Sudbury. It happened in a roundabout way because he was a municipal appointee, a member of council, and then he left. He was defeated at the municipal elections and stayed on as the board member.

You have got to do it in a legislative way. You can't leave it up to the people who are making the appointments, because obviously they won't do it. I think that you really must do that. Faculty and students and the labour movement and women in general are part of

the community. To continue to refuse to appoint them in proportionate numbers to boards and commissions really is negligent on your part.

I will ask you these questions now, and pursue it in further detail under the appropriate vote, just what the ministry is doing in order to encourage the community colleges to adhere to the guidelines laid down by the basic documents and by Mr. Davis's statement when they were formed back in 1966. What are you doing in order to encourage them to be at one with the community—to break down those walls after you have built up those walls? What are you doing to try to encourage a better relationship between the faculty and the government in the colleges? Besides, of course, keeping Mr. Sisco out of the bargaining process when he had no business interfering in it as happened a year or so ago—by sending a letter to the faculty members of the college?

I would like to know too how you respond to the report put out by the select committee on the utilization of educational facilities, interim report No. 3, and then the final report of that same select committee. In it we said—I say “we” because I was a member of that committee for about three years. I and my colleague from Port Arthur (Mr. Foulds) entered a dissenting opinion, but the majority report of this committee, including the chairman, who is sitting beside you, Mr. Minister, said that there needed to be an open educational system in Ontario but that the community colleges shouldn't handle it. Actually, they said that the community college should handle it but “we know they couldn't.” I think that should tell you something about the operation of the colleges.

I will read this quote for you:

Ideally the task of increasing openness in education would perhaps be given to the existing educational institutions. There is no doubt that the formal schooling process for the young is a great influence on an individual's attitudes to and interest and success in further education. Even though the development of vocational and technical education in schools followed by the establishment of the colleges of applied arts and technology has increased immeasurably the opportunities for further education in Ontario, access continues to be determined for the most part at an earlier stage. The colleges and universities have always taken a very passive role in influencing and encouraging an individual's decision to participate. To leave it solely to the existing institutions would provide too haphazard an approach.

That's why the committee in a majority report said create a new openable education system for Ontario. My colleague from Port Arthur and I said, “No, damn it. That's creating an unnecessary bureaucracy and expense.”

Aren't you glad to see the socialists in the Province of Ontario concerned about the burgeoning bureaucracy of the Ontario government, Mr. Minister? We said, in a dissenting opinion—

Hon. Mr. Auld: Surprised perhaps.

Mr. Laughren: Well, you shouldn't be. We are much more concerned than you and your colleagues are.

Mr. R. G. Eaton (Middlesex South): Jeez!

Mr. Laughren: How dare there be an interjection from a parliamentary assistant. There is the living example of bureaucracy run amuck, for heaven's sake.

An hon. member: Right on.

Mr. H. C. Parrott (Oxford): Aw.

Mr. Laughren: There is another one. My God, somebody is going to have to explain the role of the parliamentary assistants to me some day.

Hon. Mr. Auld: We have got to be able to do a four-minute mile.

Mr. Laughren: Is that what it is? For \$5,000 a year, I don't think I would go through the training.

Mr. Eaton: You probably couldn't handle the job.

Mr. Laughren: I couldn't handle a four-minute mile.

Mr. Parrott: I've got a big-size pair of running shoes in case you need them.

Mr. Laughren: I was hoping that the member for Oxford would be sitting beside the minister and would answer some questions. I'd love to get at him, too. His attitude toward post-secondary education is worse than the minister's. It really is.

Hon. Mr. Auld: I'll take the member for Oxford out for lunch.

Mr. Laughren: No, no, don't do that. Stay away from him. We don't want you to be influenced by him any more than you have been.

Anyway, what I started to say was that in our dissenting opinion we said that an open educational system should be operated through the community colleges. The mechanism is

there already. We expressed grave reservations about them being able to handle it, but I think it could be done with a new revamped, revitalized Council of Regents to provide the direction which they've never had.

You know what the response was when the report came out? We started getting letters from the people who built up the bureaucracy in the colleges saying: "Right on. Glad to see you realize that we can do the job."

This tells me two things. One, that there are people in the college system who see what the role is and are terribly frustrated at not being able to do it. Two, that the ministry is responsible for not allowing the colleges to do their thing and to create a kind of openness in education in Ontario. You really haven't given them any encouragement at all. As I said earlier, as a matter of fact, you discriminate against them, because those are the colleges who find themselves in the most serious financial bind.

I think that, rather than duplicate an existing bureaucracy, the college system could do it. I think there are alternatives to learning and I see no reason why the community college system shouldn't pull the rug out from under the select committee report and say: "We agree with the hon. members who entered the dissenting opinion and we can, indeed, do it." It would be a feather in your cap to show that you have that kind of flexibility and wisdom, I might add, Mr. Minister.

I'll conclude my opening remarks, Mr. Chairman. I can assure you we're still as unhappy as we've ever been with the Ministry of Colleges and Universities. I don't think that the minister is levelling with us and the public at large with what his long-run intentions are. It's still an elitist ministry with no commitment to equity or to increasing accessibility. You're even intent on doing away with equal exit by having a contingency repayment scheme.

I urge you to do a number of things, Mr. Minister. I urge you to democratize the institutions, particularly the community colleges. I urge you to devise a funding scheme that's at least over a three-year period—at least—so that people in the institutions can do some intelligent long-range planning. I urge you to at least keep your BIU increases equal to the rate of inflation. I encourage you to require the institutions to adopt open budgeting and, I might add, a sharing of resources.

And I'd like to know where these resources are. I'm intrigued. I think you said there were \$20 million or \$30 million of resources floating around out there, unencumbered. I'd like to know where they are; who has them; in what form they are; whether or not they can be shared; how a university taps into that un-

encumbered resource, and what your role should be to make sure that those resources are shared, because the public has a right to demand that.

As well, I would encourage you to ensure that the universities don't adopt an open budgeting policy after the fact; where they do their budgeting and then open up their books and say: "There, our budget is open; our books are open, see what we're doing. We hide nothing." That's not open budgeting. Open budgeting should give people in the institutions a participation in that budgeting, so that you really do have a feeling of the particular community that they've had a say in the allocation of resources within the institution.

I would urge you to provide increased support to bilingual institutions. I think that's extremely important, partly because of the area I represent. We have a great many French-Canadian people. It also goes beyond that. I think it's something the government has made noises about supporting, but never carried through. The Ministry of Education never has either.

I might say, in the Sudbury area, there are now five French-speaking secondary schools. Those graduates are going to start placing enormous demands on Laurentian University, and rightfully so. Unless you provide sufficient grants, those students will continue to go to Ottawa University. Isn't that silly? You've got the facility there to encourage our well-educated people to stay in the north and to help build the north. I think there needs to be a major commitment on your part to provide proper funding, not just adequate funds. Let them do a good job on a bilingual education.

Finally, I think you ought to provide some kind of programme for members of the Legislature to take part in an immersion bilingual programme. I need one. Thank you, Mr. Chairman.

Hon. Mr. Auld: Didn't you go to the one a couple of years ago?

Mr. Laughren: No.

Hon. Mr. Auld: No?

Mr. Deacon: He wasn't here then.

Mr. Laughren: No, I wasn't here then. I heard about it afterwards.

Mr. Eaton: He won't be here for the next one.

Mr. Deacon: Some of us struggled with it.

Mr. Chairman: Mr. Minister.

Mr. Laughren: You give a guy a parliamentary assistantship and it goes to his head. He's a one-tripper, not me.

Hon. Mr. Auld: Mr. Chairman, if there are no more general comments, perhaps what we might do is deal with those made. There were two or three comments by Messrs. Deacon and Laughren that are sort of general. Perhaps I might speak about those, and then we could go directly to each of the items and deal with things then.

Mr. Deacon: Right.

Hon. Mr. Auld: In the question of the member for York Centre, he mentioned accountability. I am not sure I understand you correctly. You were talking about assessing the graduates. In other words, assessing the courses, the instruction, the abilities of graduates from the colleges and universities.

Mr. Deacon: Right.

Hon. Mr. Auld: Are you speaking of something in the order of a standard test, like the old senior matriculation in reverse?

Mr. Deacon: No, I was thinking of an evaluation process that would include the students themselves, the graduates, the people in field placement, in the various courses that are provided by the universities and the colleges.

Hon. Mr. Auld: Basically, there is a programme now. In fact, I think all the colleges do a follow-up. It's a little easier for those in the smaller centres to track down their graduates from year to year, and talk to their employers, and the local advisory committees in the various skills.

Mr. Deacon: What I am suggesting is this is a procedure that should be, in my mind, handled by the ministry. I noticed there isn't a very large amount of your budget in universities that goes towards administration.

Hon. Mr. Auld: You mentioned the administration cost. I will come to that in a minute.

Mr. Deacon: As far as assistance was concerned I would think you play a leadership role in assuring there is a degree of evaluation done across the province.

Hon. Mr. Auld: Yes, I suppose it's a question of how you can do it most economically.

Mr. Deacon: The universities are really a provincial institution. The community colleges are more difficult because what is required to serve the community in eastern Ontario may be

different from western Ontario or northern Ontario. When it comes to university courses, I would think that would be more important. You should play a coordinating role in the evaluation procedures so they would be fairly standard across the province.

Hon. Mr. Auld: We are doing this. This year you will find it when we get to vote 2502. There is an item in there for a study which might be along the lines you mention. It's in the university sector for the 1972 graduates—

Mr. Deacon: I am thinking of a continuing programme.

Hon. Mr. Auld: It's included in a college and university study.

Mr. Deacon: I was thinking of a continuing programme, year after year, just as is done each year in other fields—for example, the Guide Michelin in France, grading restaurants and hotels. I realize they can't be quite as easily done with the university but the principle of having a province-wide evaluation of courses, where it is very open, with a view to improving the instruction and course content, or dropping courses when they are redundant.

Hon. Mr. Auld: I would be inclined to think that that happens more now—and has been happening—in the college system because of the local advisory committees and the community-related aspect than perhaps it has in universities, although my understanding is that there are universities that establish reputations in certain fields—higher reputations at one university in a kind of programme than another.

It is certainly something to think about, but I would worry about the cost of doing it and the bureaucracy that you might—

Mr. Deacon: I think it is a matter of coordinating people who are already doing a job in universities in the province; pulling those people together. The reason I am anxious to see this happen is that I would like to see universities given more authority to decide upon their own budgets, but that there be an evaluation of how that money is being spent and that that be done as openly as possible.

I think recently the University of Toronto dropped its school of household sciences. It seems to me this will be the last year it operates—the one at the corner of Avenue Rd. and Bloor. Yet I think you will find there was actually more money being brought in per student in that course than in some others. Distortion comes into it for various reasons, whether it is BIU factors or others, but I am not sufficiently familiar with the calculations and how these

things work to understand why it was that was dropped by the university.

It wasn't through lack of people who wanted to take the course. It wasn't through lack of jobs for those who attended it. Where the pressure came from I don't know, but I do know a lot of people feel that we are going to be losing quite a bit with the dropping of that particular course. Yet there are other courses which, for one reason or another, have been expanded. It's been a changing situation. I think it is a matter of internal politics that I am trying to avoid by having more openness in the evaluation across the province from university to university.

Hon. Mr. Auld: Dr. Parr reminds me that at the graduate level there is an evaluation system by ACAP, but in the post-graduate field. Your idea, as I say, sounds like a great idea except that it might be kind of expensive.

Mr. Deacon: My thought is that it is a matter of having one of your people already on staff chairing meetings of university representatives in these various course areas. They are already doing a certain amount of evaluation themselves.

Hon. Mr. Auld: Remember that our university affairs division is only 20 people.

Mr. Deacon: What is the main role of those 20?

Hon. Mr. Auld: Really liaison, and keeping us posted on what the universities are up to and keeping them posted on what we might be thinking about.

Mr. Deacon: Wouldn't this be a more effective way of keeping you posted on what they are doing when, in effect, they are posting each other and you at the same time?

Hon. Mr. Auld: I hadn't detected any spare time around there.

Mr. Deacon: I am wondering if the way you are doing it now is as effective as this would be; whether you shouldn't be changing your approach to the way you are keeping yourself posted. That would be a very effective way of keeping posted on what is going on.

In effect, you are not interfering with them, you are letting them please themselves.

Hon. Mr. Auld: We should deal with the question of women in faculty, and perhaps Canadians, because the women's adviser's programme is in the first vote. There was another one from the member for Nickel Belt about roughly the same sort of thing.

Oh, the administrative costs—well, I guess that is right in that first vote. If we're taking administrative costs, you mentioned that they were up about 100 per cent since 1970.

On vote 2501:

Mr. Deacon: Yes. The figures that I had from your 1973 budget was administration, \$2,841,000; it is \$5,633,000 for 1975-1976.

Hon. Mr. Auld: If you remember, in 1970 it was just university affairs; then in 1971 the college affairs end was transferred from education; then in 1972 manpower—

Mr. Deacon: I'm talking about 1972-1973. The figure is \$2,841,000 that I've pulled out of the—

Hon. Mr. Auld: I haven't got 1972-1973. I've got 1973-1974, both actual and estimates. And 1974-1975.

Mr. Deacon: For 1972-1973 administration, \$2,841,000.

Hon. Mr. Auld: I think we will probably find that because there was quite a change internally within the ministry in 1972-1973, there are a number of things now in main office that were elsewhere in the ministry.

Mr. Deacon: I would appreciate an analysis of this, because certainly it is a 100 per cent increase showing in these estimates—at a time when the increase in your total budget by the ministry is 50 per cent.

Hon. Mr. Auld: The biggest single item between the current year and last year is the salary increases, and the second biggest, the employee benefits, which are up very significantly—

Mr. Deacon: Yes, that's correct, but all—

Hon. Mr. Auld: —plus travelling, which is up about 20 per cent from last year—

Mr. Deacon: But these institutions are also facing these increases. It seems to me that you should be keeping your increase, percentage-wise, well under what you're giving in assistance to universities and colleges. If you're meeting what you—

Hon. Mr. Auld: There is half a million in this year which is in terms of support to the universities and colleges for energy conservation. And the council of ministers—

Mr. Deacon: There is \$170,000 for that, and you have \$82,000 of that in the year I'm speaking about.

Hon. Mr. Auld: And we've got plus these, the colleges—the studies on the provincial share we

share with education through the council of ministers—

Mr. Deacon: Well, perhaps, Mr. Minister, you could check into—

Hon. Mr. Auld: Just a second, I'll get it—

Mr. Deacon: In the year on which I'm speaking I'm going to break down through that particular year just for your benefit.

Hon. Mr. Auld: Running throughout the estimates this year you will find in salaries and benefits, generally speaking, pretty significant increases on account of the settlements that were made with the CSAO in terms of mileage. And you also see some rather significant ups and downs in transportation and communication because in the estimates last year we were in some cases pretty close, in some cases considerably low, in other cases quite high.

Mr. Deacon: But how do you expect these institutions to meet these extra costs you're talking about? You're giving them an increase, as I mentioned, of 15 to 16 per cent. But this last year your budget has been going up 13½ per cent, plus 12½ per cent, plus 15 per cent—the gross amount.

Hon. Mr. Auld: Well, some of that is internal—

Mr. Deacon: But then you're restricting them in fees. How do you expect them to meet these extra costs?

Hon. Mr. Auld: Yes, we'll give you an analysis of this. But I think you will find, for instance, that half a million that I just mentioned is money shown in this administration estimate which will go to the institutions. In fact, I have a list somewhere here of the amounts, roughly, which we will give them to do their own studies to save energy. This was something that was worked out originally by the Ministry of Energy. So that while it is shown in our administration vote, it is actually not money that we are spending. There are quite a number of these and I'll try and have it for you tomorrow.

Mr. Deacon: It would be interesting. I would like to see an analysis of the comparison that you presented. I thought it sounded a little hollow when you said you were cutting your own costs, yet they have dropped very sharply in that period.

Hon. Mr. Auld: There is another one that Dr. Parr mentioned to me too, that the research amount used to appear in different votes around

the ministry—and it is now all in main office. Again, this is a transfer of funds. I must admit that it is difficult for perhaps all of us to keep track of these year-to-year changes on account of the changes that were made within the structure of government. There is that problem in reconciling some of the figures here later on, because now the cultural affairs division is no longer with us, this has meant some changes in main office.

Mr. Deacon: There is another cost that is outside your administration now. You don't have to administer that, and yet that increase of 100 per cent wouldn't be that much I suppose.

Dr. J. G. Parr (Deputy Minister): They weren't there in the base year you're referring to.

Mr. Deacon: I believe they were, weren't they?

Dr. Parr: Yes, some were; yes, indeed.

Mr. Deacon: Yes, it does show. They definitely were in.

Hon. Mr. Auld: Okay, then should we get into vote 2501? Oh, did Mr. Laughren want to talk about Outreach in the colleges?

Mr. Laughren: I thought you were going to make some comments of a general nature.

Hon. Mr. Auld: On the points that you brought up about Canadian faculty in the universities, I said I would deal with those when we get to the university vote. Also, financing for bilingualism in the universities is in the university vote. I have tried to mark down the votes as you went along.

Mr. Laughren: We're still on vote 2501 then?

Hon. Mr. Auld: Yes.

Mr. Laughren: Are we going to move into vote 2501?

Hon. Mr. Auld: Right.

Mr. Laughren: There must have been a lot of programmes and costs that went out of this ministry when services moved to Culture and Recreation. Why does that not show up in the expenditures? Where would it normally be?

Hon. Mr. Auld: I beg your pardon?

Mr. Laughren: For example, on the total vote, the total expenditures of the ministry are \$1,018,422,000. You finally cracked that \$1 billion. It puts you into the big time, I guess, with the government.

Hon. Mr. Auld: You have to take your shoes off to work out the estimates now.

Mr. Laughren: Yes, that's right. Where did that drop come and why is it not more evident in here? How much of the ministry's expenditures were in that area?

Hon. Mr. Auld: Do you mean how much came out with Culture and Recreation?

Mr. Laughren: I mean how much of your last year's expenditures moved out of this ministry into Culture and Recreation?

Mr. F. J. Kidd (Executive Director, Common Services Division): I think if you look at the reconciliation at the bottom of page S11 you'll see that we have transferred out last year's estimates before we come to the figure of \$784,424,077. We've taken out \$40,054,128, which represents the cultural aspect of the ministry. We have adjusted the previous year's figures.

Mr. Laughren: Oh, I see. So actually last year's figure would have been \$784 million plus \$40 million. Is that correct?

Mr. Kidd: Plus \$40 million. It's at the bottom of the first page.

Mr. Laughren: I'm looking at that, but isn't it the difference between those two figures?

Mr. Kidd: Yes.

Dr. Parr: Yes.

Mr. Laughren: So it's \$25 million?

Mr. Kidd: Right.

Mr. Laughren: That's all. So that was all cultural activities cost you last year?

Mr. Kidd: No, it cost us \$40 million last year, but other nonrelated parts cost \$15 million.

Mr. Laughren: All right, it is correct. Okay, it cost you \$40 million, so the difference is \$25 million. Am I right in that?

Mr. Kidd: The difference in our total estimate is \$25 million, that is correct.

Mr. Laughren: That's all?

Hon. Mr. Auld: It was \$40 million, but we gave away \$40 million and we added \$15 million, so there is a net decrease.

Mr. Laughren: How is that? What was your total library vote last year, provincial library services; do you remember?

Mr. D. Holder (Manager, Budget Services): Fifteen million dollars.

Mr. Kidd: I think the \$15 million is diploma nursing.

Mr. Laughren: Is what?

Mr. Kidd: Diploma nursing. We assumed that from the Ministry of Health in 1973-1974 so it is not the same thing. It is culture and diploma nursing offsetting to get \$25 million and that is within the cultural vote itself.

Mr. Laughren: I think I am looking at the wrong figure.

Mr. Kidd: Yes, 1973-1974.

Mr. Laughren: In 1974-1975, it was \$52 million.

Mr. E. J. Bounsall (Windsor West): What is the small amount which got transferred, that \$25,000?

Mr. Holder: Queen Elizabeth II scholarships.

Mr. Bounsall: That's the totality? Okay.

Mr. Laughren: That figure of \$879,000 would have been plus \$50 million.

Mr. Kidd: It was \$927,000.

Mr. Laughren: I see, \$927,000. Okay. Another thing I was wondering about was I couldn't let an estimates go by without asking where the son of SRC went to?

Hon. Mr. Auld: The who?

Mr. Kidd: Campus 8.

Mr. Laughren: Connect Campus.

Hon. Mr. Auld: It is in here.

Mr. Laughren: What vote is that on? Wouldn't that be under administration?

Mr. Kidd: It is under common services in the ministry administration programme.

Mr. Holder: It's 2501, item 3.

Mr. Laughren: It is under this vote, right?

Hon. Mr. Auld: It is under the third item.

Mr. Laughren: Are we dealing with them as one or are we dealing with them individually?

Mr. Chairman: Item by item, I think.

Mr. Laughren: Okay; I will wait until we get to No. 3 on that.

Hon. Mr. Auld: So that everybody is sure what is involved, in No. 1 is the minister's office; the deputy minister's office; the parliamentary assistant—

Mr. Deacon: What does he do?

Hon. Mr. Auld: —and 16 permanent staff including a communications co-ordinator and a health sciences co-ordinator; a women's adviser and a cultural liaison officer.

Mr. Laughren: The next one is where is the rest, the bulk, of the salary of the employees?

Hon. Mr. Auld: The salaries and wages for main office come—

Mr. Deacon: It's \$289,200.

Mr. Laughren: You listed about a dozen or so people, didn't you? How many employees are in the ministry?

Hon. Mr. Auld: There is complement of 16, which includes the people I have mentioned.

Mr. Deacon: Including the salary of the parliamentary assistant?

Hon. Mr. Auld: We are not on the complement; we are statutory.

Mr. Laughren: Where is the balance of salaries?

Hon. Mr. Auld: You mean the balance of the \$289,200? It's among those 16, plus additional specialist staff employed from time to time on a contract basis. That is an increase of about 11 per cent over last year.

Mr. Deacon: How many are employed from time to time?

Hon. Mr. Auld: It varies. I don't know; what would you say at the moment?

Dr. Parr: A couple—that kind of thing.

Mr. Deacon: Just two or three? Of \$289,200, what portion of the funds would be budgeted for that sort of help?

Dr. Parr: Not very much.

Mr. Kidd: A very small amount.

Mr. Deacon: About \$20,000 or \$30,000?

Dr. Parr: Yes.

Mr. Laughren: Is the ministry still leading the pack in per diem expense claims by officials?

Hon. Mr. Auld: I couldn't tell you but we were only ahead by a shade.

Mr. Laughren: I see.

Mr. Kidd: I don't think a survey has been done recently.

Mr. Laughren: It should be, eh?

Mr. Kidd: We have introduced regulations into the ministry which have taken this into account.

Mr. Bounsall: On that point, are there limits on meals? Are there limits on the individual expenses within that expense account? I think you generally led by a shade only but I think on the meals per capita expenditure you led by a fair way.

Hon. Mr. Auld: As I recall, as far as the general staff is concerned, there are specific maximums for breakfast, lunch and dinner. As far as some of the council and board and commission operations are concerned—and, of course, there aren't nearly as many of them now as there were in cultural affairs—it has been considered something that is reasonable and proper. There were higher expenses, generally speaking, with those who were unpaid, in the case of a number of the boards and so on, like the college boards, where there's no salary as such.

Another one is the Ontario Graduate Scholarship Board, I'm told, where they are in effect unpaid volunteers.

Mr. Deacon: They take their benefits in other than salaries.

Hon. Mr. Auld: Yes. I think we probably still come out ahead.

Mr. Laughren: Do you practice the way other government ministries do? Do you allow some of your employees a lower meal expense per day than others? Do you allow some a different mileage allowance than others?

Hon. Mr. Auld: I think the mileage is the same.

Mr. Kidd: The mileage allowance is standard and laid down throughout all government ministers. It's the same for every ministry.

Mr. Laughren: No.

Mr. Kidd: There's a differential between northern and southern Ontario.

Mr. Laughren: No. I'm not talking about that. The ministry I know of doesn't concern you perhaps. It's Transportation and Communications where it's not equal in terms of expense allowances either. If they have to travel from one place to another they can't fly, even if it's 250 miles. They're given the equivalent of bus fare and things like that. Do you practise that way?

Hon. Mr. Auld: I must say I am not aware of it, if we do. I think we run the same—

Mr. Kidd: This is delegated to the agency head. They take the most economical means possible, taking into consideration all the circumstances. For example, I think it would be ridiculous to send someone on a bus to Lakehead.

Mr. Laughren: Yes, I agree.

Mr. Kidd: We would reimburse the person for air fare.

Mr. Laughren: How about meal allowances?

Mr. Kidd: We don't have set meal allowances. We have guidelines which are laid down, but the reason for that is that meal costs differ from area to area within the province. It depends on the circumstances in which the individual finds himself. We have a guideline, and when the guideline is broken we request a specific explanation as to why he could not follow the guideline.

Mr. Laughren: Tell me just for interest's sake how many employees are there in the ministry now? Do you know?

Mr. Kidd: There are 675. No, 674, sorry.

Mr. Laughren: Who quit?

Mr. Kidd: We transferred one out somewhere.

Mr. Bounsall: And have they adjusted the estimates accordingly?

Mr. Laughren: I thought maybe Norm Sisco had left.

Mr. Chairman: Any more questions on items 1, 2 or 3?

Mr. Bounsall: Yes, I still have a point on item 1.

We've talked about the transfers and so on. Is there an increase in the number of personnel in the main office of your ministry? I asked that and you have already answered there were 16. Does that represent an increase? Roughly, the effect of moving culture and recreation generally out of the estimates has been a decrease of six per cent in your total budgeting, and yet in this main office vote this year's estimates as opposed to last year's estimates are up about 20 or 25 per cent.

Have you increased staff there in spite of culture and recreation moving out some of its functions? Does that 16 represent an increase in staff?

Hon. Mr. Auld: I think Dr. Parr had better explain it.

Dr. Parr: It depends upon how you count it.

Hon. Mr. Auld: The cultural affairs division was 13 and then we pro-rated some people from personnel and other places who went out. But I'll ask the deputy to explain.

Dr. Parr: In addition to the entire cultural affairs division going, there was a pro-rating across the ministry, particularly in common services and so on. We lost 11 people because of that. There have been two additional people in the area of which you speak. One is the women's adviser and the other is the cultural liaison officer. They have been recently appointed.

Hon. Mr. Auld: So it would be a net of nine fewer.

Mr. Bounsall: All right, but as for the main office expenses as they pertain to personnel are concerned, in the main office there has been an increase in two and no decrease. Is that correct?

Hon. Mr. Auld: That would be the net, because there was an authorized increase in complement last year of 14 to catch up with the new programme. In other words, we reduced complement by some transfers into cultural affairs. Had they not gone there would have been a total increase in complement of 14, I think it was. Now, inasmuch as there were 11 transferred, then I guess there would be an increase of three.

Mr. Bounsall: You are speaking generally across the ministry. I was looking at the main office expenses and the personnel there; there is a net increase of two, in the women's advisory area and the cultural advisory area. How is that woman adviser making out? How is the ministry responding to the edicts of the woman adviser and the opportunities she is providing?

Hon. Mr. Auld: How are you making out, Jo Ann?

Miss J. A. Poglitch (Women's Adviser): I am doing fine.

Hon. Mr. Audit: I am not sure if I should put it quite that way.

Mr. Bounsall: Tell us about the difficulties in your job, Jo Ann.

Miss Poglitch: I have been in the ministry since the end of January, so I would say that I have got along quite well so far in the process of learning about the ministry and finding out what the particular issues are with respect to women and getting to know the functions of the ministry, the programmes, the people, and so on.

Mr. Bounsall: Are the terms of reference of your job to deal with the women employees or the encouragement of more women employees specifically within the ministry, rather than in those areas the ministry encounters, such as university faculty and college faculty?

Miss Poglitch: Yes, it covers generally all of those areas.

Mr. Bounsall: It covers areas outside of the actual ministry employees?

Miss Poglitch: Yes.

Hon. Mr. Auld: I think it's fair to say, Jo Ann, that most of your time thus far has been spent sort of within the ministry but your terms of reference include keeping in touch with and reporting on the activities in the other institutions, most of which I think are in the process of doing some studies themselves. Some of them are completed, aren't they?

Miss Poglitch: That's right. In terms of time, the ministry has taken by far the heaviest portion of my time, and that involves looking into areas for recruitment of women as well as opportunities for development within.

As far as the colleges and the universities are concerned at this stage, it involves learning about them. We have two studies ongoing at the present time to look into the status of women in the colleges and universities and to make recommendations to the ministry on what should be done to improve that status.

Mr. Bounsall: Are you looking in depth at one or two colleges and universities specifically or are you looking at the entire university field, for example, when you say you have a couple of examples running.

Miss Poglitch: No, we have two studies. One of them has just been completed and it's being considered. That one relates to the colleges; it's an overall study of all the colleges in Ontario. A number of colleges were visited by a consultant and others were communicated with verbally or in writing. A report was done from those visits and from statistics available from within the ministry, from Statistics Canada and so on. That report is under consideration now.

The second one has begun in the university segment; it will cover the entire university structure in Ontario, although not all universities will be visited.

Mr. Bounsall: When you say that report is under consideration, that implies to me that there are certain recommendations made, the implementation of which you have to consider.

Miss Poglitch: That's right. There was a number of recommendations made.

Mr. Bounsall: What did you find that you needed to recommend on?

Miss Poglitch: It was found that there were differences among male and female status in various segments of the colleges, including the enrolment of males and females in different divisions of the colleges, a difference in the representation of faculty at different levels and in different salary grades and so on; and quite a number of recommendations were made to deal with these differences.

Mr. Deacon: Is that the Greenglass study?

Miss Poglitch: No, this study was done by Leslie Lewis.

Mr. Laughren: Is that the consultant?

Miss Poglitch: Yes.

Mr. Deacon: And York University has a study. Is it completed as yet?

Miss Poglitch: The York University study has just been completed, yes. That's right, most universities and colleges, or a large number of them in any event, have done studies within their own institutions.

Mr. Deacon: Is this in response to the recommendation of the Ontario Status of Women Council, that each university systematically and comprehensively survey the status of women students, faculty, and non-academics? That was one of their recommendations, I think.

Miss Poglitch: Yes.

Mr. Deacon: And are you going to be studying the general carrying out of these recommendations of the Status of Women Council? Is that your responsibility?

Miss Poglitch: Those that pertain to our ministry.

Mr. Deacon: Concerning university education, they made five recommendations. I suppose you have those recommendations and you are following them. Are you?

Miss Poglitch: Yes.

Mr. Laughren: How do people funnel through you—I assume it would be through you—suggestions for women appointments to various boards and commissions?

Miss Poglitch: Are you suggesting that you would like to submit some names?

Mr. Laughren: I am wondering how people know that they do this through you, and are you the person to do it through?

Miss Poglitch: No, generally speaking, I am not. That hasn't been a function that has been mentioned for me to carry out, in any event. The Status of Women Council of Ontario has a talent bank of women whom it recommends for all kinds of boards and commissions all over the province, and we encourage people to submit names to that.

Mr. Laughren: You don't have a bank within the ministry that you could recommend, either to the Status of Women Council or—

Hon. Mr. Auld: The council has those because, as she says, those come from Mrs. Sabia and her gang directly to me, or to the Premier. I am afraid I couldn't tell you specifically about this, because it varies from, say, university to university, there is a great variation in the number of appointees to various university boards by the Lieutenant Governor in Council. In some cases we appoint, say, three or four; in some cases we might appoint seven or eight.

It will depend on the university's own Act, so that our activities are a little limited, particularly in terms of the term as well. It takes a little while. I don't know whether we have the figures here, but there has been an increase in the number of women serving on boards of community colleges, for instance. Do you happen to have the figures, Jo Ann?

Miss Poglitch: I don't happen to have them with me just now.

Mr. Laughren: That is something that you concern yourself with, though?

Miss Poglitch: I am concerned with that, but I don't cope with it by providing names directly. If I know of a source of information where I can get recommended names and provide them to the Council of Regents, I do that and have done that in one case, but I think it is more efficient, generally speaking, to work through the Status of Women Council, which makes a massive effort to collect names from all over Ontario and provide them, as I said, for a variety of boards, rather than to set up a duplicating mechanism ourselves.

Mr. Laughren: But it would be part of your job, would it not, to lean on the minister, if I might use that term—

Hon. Mr. Auld: Oh, that sounds rather attractive, I must say.

Mr. Laughren: —to ensure that he is actually doing something about that?

Miss Poglitch: Absolutely.

Mr. Chairman: Any more discussion on item 1 of vote 2501?

Mr. Bounsall: Yes, just before the women's adviser leaves, we have talked about the programme that your consultant did in the colleges, and it is about to go into universities, but on the other function of your job, the one you have so far spent most of your time on—that is, seeing that women's opportunities are available within the ministry—what has been the increase in women employees within the ministry? What has been the change in the status of those who are there, over the past few months?

Miss Poglitch: I have some statistics on that, but I don't have them right at hand just now. Generally speaking, there have been increases in women staff in senior levels over the last six months of fairly significant amounts. I don't have the percentages right here right now.

Mr. Laughren: What is the highest ranking position in the ministry held by a woman, other than yourself?

Miss Poglitch: I believe it is a vocational training supervisor in the manpower training branch.

Mr. Laughren: How many steps is that from Dr. Parr? Infinite?

Mr. Bounsall: Would you change jobs willingly?

Mr. Laughren: How many?

Miss Poglitch: In terms of salary?

Mr. Laughren: That's one gauge, I suppose. I was thinking more of where in the organization.

Miss Poglitch: In terms of structure, Dr. Parr is the deputy minister. This person would be a supervisor. That would be below the director level.

Mr. Laughren: So there would be the deputy and assistant deputy—

Miss Poglitch: And a director.

Mr. Laughren: A director as well?

Miss Poglitch: Yes, and then this person.

Mr. Laughren: It would be nice to see a second ministry in the government have a woman deputy.

Dr. Parr: Thank you.

Mr. Bounsall: I notice in the Globe and Mail today that even fallopian tubes can be transplanted, so a sex change may do it.

Hon. Mr. Auld: Did you read the headline? I've heard of a country being called mother, but if you read it in the Star it's ridiculous.

Miss Poglitsch: We will be making some efforts to try to increase the number of women between that vocational training supervisor and Dr. Parr over the next year or two.

Mr. Laughren: Perhaps, in order to keep certain people in the ministry happy, namely Mr. Sisco, you could find a woman engineer. That's one of the requirements to be in the college system.

Hon. Mr. Auld: Jo Ann, that's one you don't really have to answer unless you've read last year's Hansard.

Mr. Laughren: The place is infested with engineers.

Mr. Bounsall: And there are some head women engineers, though.

Mr. Laughren: I have nothing against engineers, don't get me wrong. I just don't think they should dominate our college system.

Mr. Deacon: The assistant dean at the school of engineering in Toronto is now a woman.

Mr. Laughren: Hire her.

Mr. Chairman: Shall item 1 carry?

Mr. Bounsall: No, I would like to ask about the cultural adviser. I believe that was the other person added. Has that person been transferred out now that Cultural and Recreation has been formed? Why do you need a cultural adviser? What's the role of this person now that culture, as a name at least, has disappeared?

Hon. Mr. Auld: Basically because of a number of things that are common to both ministries, for instance, Floyd was talking about libraries a while ago. The colleges and universities have libraries. When the libraries operation was in the cultural affairs division there was close liaison. There are a variety of things like this, open sector sort of stuff, which perhaps Jim you can explain.

Dr. Parr: The ministry has mentioned one, Mr. Chairman. Another is when new facilities are being built. It's desirable that these meet the community needs, as well as those of the college and, perhaps, extension courses at the university. We want to be sure that we and

the new ministry are working together on this basis to satisfy the greatest number of people.

Mr. Bounsall: A cultural adviser is really a liaison person.

Dr. Parr: Yes. We have, of course, an interest in the work of OECA which now reports to the new ministry. Once again, we don't want to let things fall between the slats. Rather than naming people within each of our divisions to look after this, it is more economical to name one person who will be the liaison person with those cultural activities which the other ministry has, and who will make sure that our ministry as a whole is familiar with them and we keep co-ordinated.

Mr. Laughren: Does the Roberts Library now come under Culture and Recreation or, because it's affiliated with the University of Toronto, is it part of this ministry?

Hon. Mr. Auld: No, it's still a part of the University of Toronto, isn't it?

Mr. Bounsall: They tried to swap it, but it didn't work.

Mr. Laughren: They should have swapped it. It is not debatable, Mr. Minister.

Hon. Mr. Auld: I was just listening with interest.

Mr. Laughren: We'll deal with that when we get to the universities vote.

Mr. Chairman: Does item 1 carry? Item 1 agreed to. Item 2?

Mr. Deacon: Mr. Chairman, I was wondering why the change in services. This is one place where you really did make a cut from the 1973-1974 budget to the 1975-1976 budget. It was \$1,686,000 in 1973-1974, and down to \$867,600; it was a little bit up from last year; it's about \$135,000 up from last year or in the order of 20 per cent.

Hon. Mr. Auld: I am sorry, which one is this?

Mr. Deacon: This is services under policy and planning.

Hon. Mr. Auld: That includes \$100,000 for the task force on native people which is one—

Mr. Deacon: That is over last year, you mean? Of the \$135,000 increase, \$100,000 is for this task force?

Hon. Mr. Auld: Yes.

Mr. Deacon: Was there any item similar to that in last year's budget?

Hon. Mr. Auld: No.

Mr. Deacon: Why was it such a high item a few years ago—\$1,686,000 in the old budget? In 1973-74?

Hon. Mr. Auld: Frank, do you know? Do you remember that?

Mr. Kidd: In the previous high, \$1,686,000, I believe we had some student assistance programmes which were on a pilot basis and subsequently were transferred into the student affairs programme. In particular there was \$500,000 for the special bursaries pilot project two years ago which we have transferred.

Mr. Deacon: Now it is entirely showing in your student assistance vote?

Mr. Kidd: Yes, that is correct.

Mr. Deacon: There would be more than that, of course, involved there. There's about an extra \$800,000; that would account for half a million or more of it.

Mr. Kidd: There are other items like that which I can detail for you if you so desire.

Mr. Deacon: If you would, so we can see what is happening.

Mr. Kidd: Yes, we compared 1974-1975 with 1975-1976.

Mr. Deacon: That's all I have, Mr. Chairman.

Mr. Chairman: Any more discussion on item 2?

Mr. Bounsall: Yes; has anyone been added to this branch? Again, from the expenditure estimates, it appears there has been an addition to this policy and planning personnel area.

Hon. Mr. Auld: You mean what the complement is? The complement is nine. There are three planning analysts; a student assistance planner; research branch and contract co-ordinator.

Mr. Kidd: In terms of actual expenditure last year, the estimate shown for salaries and wages, \$174,100, was actually under-estimated and it came out at \$200,306. If you take that percentage increase, you are talking about nine per cent.

Mr. Bounsall: There has been no increase here?

Mr. Kidd: No, no increase.

Mr. Laughren: Why would the estimated figure for 1974-1975 be half that for 1973-1974? Was there some major change there?

Mr. Deacon: That is what he was just mentioning.

Mr. Kidd: Yes, in 1973-1974, we had some statistical personnel shown in the budget who have been transferred to form a new branch.

Mr. Bounsall: It is under this policy and planning area that research is done by and in and for the ministry itself?

Dr. Parr: Mainly for the ministry in that it will co-ordinate our research activities.

Mr. Deacon: This work should be done through the Council on University Affairs and the Council of Regents, who are working directly with the—

Dr. Parr: They do make their recommendations for research projects and are funded.

Mr. Deacon: But you feel it is more economical for you to do the work here than for them to actually carry out that?

Dr. Parr: They don't have research staff nor do we specifically. Whether it is for them or for ourselves in many cases the work is then contracted out.

Mr. Deacon: So a lot of this is actually contracted work? That is why it is shown as services because it is mostly consultants?

Dr. Parr: Yes.

Mr. Kidd: Seven hundred and forty-five thousand dollars relates to the ministry research and analytical project programme.

Mr. Deacon: That's \$745,000?

Mr. Bounsall: What are some of those research projects you have farmed out? Could we have the titles of them and perhaps a bit about them?

Mr. Deacon: This is in addition to the native people's study, is it?

Mr. Kidd: Yes.

Hon. Mr. Auld: The francophone student intention survey, class of '72, enters the labour force, which I mentioned a few minutes ago. Social welfare education; the evaluation of social science education; plastics industry survey—that relates to the community colleges, I believe. The campus computer-assisted instruction surveys in the electricity, accounting and chemistry programmes, sheet metal trade survey, study on the hospitality courses and hotel administration courses in the community colleges. Correctional worker study and college evaluation study in industrial instru-

mentation and continuing work on the Ryerson proctorial project.

Mr. Deacon: So these are evaluation studies along the lines we were discussing earlier then, in the health services field and the social science field, where the consultants are, in effect, working very closely with these colleges on these studies?

Dr. Parr: Yes.

Mr. Deacon: Are these studies available for the public to examine?

Dr. Parr: I think in every case, as soon as they are completed.

Mr. Deacon: Who is responsible for the selection of the consultants who are carrying them out? Is it the Council on University Affairs or the regents?

Dr. Parr: No, we fulfill Management Board requirements and put these out to tender.

Mr. Deacon: Who decides upon that? Do the councils concerned have some say in the selection of the consultants used?

Dr. Parr: If it is their project, yes, if it's a project they suggested. Might I, Mr. Chairman, just in passing, say that some of these projects do really study alternate delivery systems in education? For instance, the computer-aid instruction programmes, and so on, I think do go along the lines that Mr. Laughren was alluding to earlier.

Mr. Laughren: I was going to ask you about that. There was talk in the college system about a year or two ago that there was a major commitment being made for some kind of programmed learning and that the Council of Regents, as opposed to the ministry, saw it as one way of cheap teaching, and that—

Hon. Mr. Auld: Is this the one, Floyd, computer-assisted instruction? There are some programmes now in that way.

Mr. Laughren: I don't know.

Hon. Mr. Auld: I have watched them work. There are some programmes where you have an instructor and perhaps six students and they work at their own speed through the computer, which asks them questions and tells them whether they have the right answer or not. It applies in certain subjects. Is that the kind of thing you are talking about?

Mr. Laughren: Yes, well sort of. When I taught at community college, I used to use

computer games for business courses. I stopped, because in the games you tried to maximize your profit and I felt guilty about that in the first place. Secondly—

Hon. Mr. Auld: I never understood how you got into the teaching business in the first place.

Mr. Laughren: —I was losing more money to the students so I stopped using it.

Mr. Chairman: Any more discussion on item 2?

Mr. Bounsall: Yes, Mr. Chairman.

Hon. Mr. Auld: Oh, somebody was asking about Campus 8. Was it you?

Mr. Laughren: No.

Hon. Mr. Auld: We have a study. Last year we got Woods Gordon to do an independent review of the planning data needs of the ministry and the colleges—the effectiveness of Campus 8, which somebody was asking that we do last year, when we were doing the estimates.

Mr. Laughren: What do you mean, Campus 8? That is not the same as Connect Campus, is it?

Dr. Parr: Yes.

Mr. Laughren: Oh.

Hon. Mr. Auld: Yes, we changed the name a little bit.

Mr. Laughren: Every year you change the name so that nobody can understand what's still there. That's a very superficial ploy actually.

Hon. Mr. Auld: It perhaps describes it a little more effectively. There were some misunderstandings about the other name.

Mr. Laughren: Well, I think it is more of a contradiction calling it Campus 8. There was some justification for calling it SRG, because of what that initials stood for. I remember that one when Al Gordon was around. But Campus 8 is under vote 3. We agreed to wait until then.

Mr. Bounsall: I gather that most of the moneys go for surveys. Virtually the whole list you announced were surveys, if I heard correctly.

Dr. Parr: Yes. Surveys of need and surveys of effectiveness.

Mr. Bounsall: Yes.

Mr. Deacon: I am surprised these aren't under the later votes, because you are talking in these cases of work that has to do with evaluating a college or evaluating a university programme.

Dr. Parr: The reason we consolidated is that it gives us a little more flexibility. It is a bit difficult spinning out research funds, because one never knows how to distribute them through the year. So if the divisions budget them, then we get a final amount which we centralize. It gives us more flexibility.

Mr. Deacon: In these studies—for example, the one you've done on the health services field or the correctional services field—is there a process for a continuing ongoing evaluation or is that just a one-time thing?

Hon. Mr. Auld: A great many of these—looking at the budget figures—are continuing. They are not just one-shot. They may continue over three or four years and there may be some of them that go on—for instance in the correctional worker study, I notice that the total cost is \$18,000; but for 1975-1976, we are talking about \$2,600.

Mr. Deacon: I was just wondering if there was any procedure, once they've got the pattern of these, for updating the courses all the time. If it is just the one shot, it is not nearly as effective as if you are working out a system with the colleges concerned of continuing updating.

Dr. Parr: Frequently we hope that a methodology will emerge which they can then pick up and operate.

Mr. Deacon: And you would encourage them to give leadership in their operating, would you?

Dr. Parr: We try to.

Mr. Bounsall: Asking a specific question on one of them here—the sheet metal trade survey you had—what were you looking at there? What were you trying to determine and what did the survey result in, if you have some of it completed? I assume this is money for this year's budget and that the survey may well be just nicely starting, but where are you on it and what are you trying to determine?

Dr. Parr: We are currently surveying the tasks that are performed by the sheet metal journeymen, of whom there are some 1,600 in the province, so that we can improve our occupation analysis for that trade. We hope that by so doing we will be able to review

other apprenticeship programmes within the whole ambit of our work with respect to this field.

Mr. Bounsall: Yes, I think there is a very great need in this apprenticed hire area. Is this the first one to be looked at in this way; or have others been done and completed?

Dr. Parr: I think it's true to say this is an early one. If I'm hesitating, it is because the member of our staff who would normally be answering these questions in much more detail is on vacation. So I must apologize for not giving as specific answers as he would.

Mr. Bounsall: Getting off this question, unless someone wants to go further on the sheet metal, a lot of this work is contracted out; to whom do these go? In other words if you want to do a sheet metal trade survey, who do you get to do it for you? Are there survey companies that do this? This is the sort of thing on which I thought you might have some expertise within your own ministry.

Dr. Parr: The expertise within our own ministry is used to supervise on the project. Sure there is internal work that goes on, but we can't do all those programmes we would like; and indeed there are people who are better equipped to do them. Our policy is, rather than building large staff, to put these out for tender. It is sometimes done by the kind of agency you speak of, sometimes by university or college personnel and so on.

Mr. Bounsall: Who specifically does the sheet metal one?

Dr. Parr: I can't answer that question now, but I could certainly tell you that later.

Mr. Bounsall: Is it just the sheet metal apprentice area you can't answer in?

Mr. Kidd: We don't have the contractors' names for each of the projects, as to any particular consultant being hired for any particular project, but we can get them for you.

Mr. Bounsall: I would appreciate that.

Mr. Kidd: What we have is the name of the responsible member of staff who is in charge of that project.

Hon. Mr. Auld: Don, do you happen to know that one?

Mr. D. W. Shaver (Associate Director, Manpower Training Branch): No, I don't. I have a note of it, Mr. Minister. I will get the information for you tomorrow.

Mr. Laughren: Has there ever been a study on college administration?

Hon. Mr. Auld: Yes, there was one quite recently at Algonquin.

Mr. Laughren: Yes, and then there was Conestoga and George Brown.

Hon. Mr. Auld: George Brown a couple of years ago I'm told.

Mr. Laughren: I'm serious. Has the ministry looked at the whole organizational structure of the colleges? At the present time you have an administration, period. You have no senate, there is no unicameral form of government; and I think that is part of the problem of the colleges.

They tend to be rather hierarchical in structure. I think there was a mistake made when they were set up. I'm wondering whether you looked at it in a very serious way to see how you could avoid some of the pitfalls.

Hon. Mr. Auld: To my knowledge we haven't had a study of college administration per se. If you wanted to pursue what I think you do, perhaps we could pursue that when we get to the college vote itself.

Mr. Laughren: Well no, actually what I am really interested in is whether or not the ministry—I'm not thinking about any particular college—whether or not the ministry has done just that. We've had problems with a number of colleges, perhaps because of the speed at which they were organized and so forth. How do you know they are set up the right way. How do you know that the kind of almost authoritarian structure that's in the colleges is the right one? How do you know it's not better the way it is in the university system? My impression is that is one of the problems in the colleges.

Hon. Mr. Auld: I would say, if you want my own opinion, that there isn't any problem common to all the colleges in terms of administration. There have been problems. My recollection, from the reports that have been given by those who have looked into them, is that they were really problems of individuals or problems of rapid growth or something; and they were all different. Each college had a different problem; and it was generally resolved without changing the structure; it was more probably resolved by changing the people.

Mr. Laughren: But don't you think that kind of structure lends itself to allowing individuals to cause serious problems in the colleges? As soon as you get a president, for example—

Hon. Mr. Auld: Well, they have the authority. If somebody doesn't use it or misuses it, I suppose you will have a problem. It doesn't matter what the structure is.

Mr. Laughren: Particularly if that person has a considerable amount of authority without it being diffused among a number of people; surely that's part of the problem.

Hon. Mr. Auld: Except if you get a committee you can't get anybody responsible.

Mr. Laughren: Oh, that's a myth.

Mr. Deacon: That is no myth.

Mr. Laughren: What you are saying is that you want a benevolent dictator to run the college and everything will be just fine. I'm saying to you that you can't build in those kind of protections under that kind of structure; that you've got to have, I think the common phrase is checks and balances in a structure so that isn't allowed to happen.

Hon. Mr. Auld: Even in this specific vote we haven't done—

Mr. Laughren: I am talking about planning ahead and setting a policy so that you don't encounter this again. Which colleges have had problems on which you've had to have some kind of study. We know there were studies on Conestoga, Algonquin, George Brown—and the one at Haileybury, Northern College. How about Confederation? Was there some problem there? Not Confederation but there are four. Which ones have I missed?

Hon. Mr. Auld: Well, you have 18 to go.

Mr. Laughren: You need one at St. Clair.

Mr. Eaton: Fanshawe.

Mr. Laughren: Well, I don't know—is that right? Fanshawe? The member for London something or other says you need one at Fanshawe too. Yes, as a matter of fact there was a problem there.

Do you think it's just coincidence, that there just happened to be individuals who were wrongly placed; or don't you think the structure lends itself to those kinds of problems?

I'm dismayed by your comment. I don't know whether you were jesting or not about a committee system not being a good one. The whole idea of the unicameral system of governing a university, I think, is a valid one and I think it will work. It's a slower and more painful process perhaps, but certainly more democratic. You set it up at the University of Toronto. Is that why you're not bringing in

that bill, by the way? You don't want to talk about it?

Hon. Mr. Auld: No, we'll have it. Let's see, the legislation committee is on Monday; you might get it in next Tuesday assuming we're not still here.

Mr. Laughren: Why don't you set up a policy study to look at the whole question of the structure in the colleges so you build in some kind of a broader decision-making base? It's just not there now.

Mr. Deacon: Isn't it the accountability base you're more concerned about than decision-making? It is the accountability of those who have the responsibility, isn't it?

Mr. Laughren: I'm not happy with accountability if one man is still making all the decisions.

Mr. Deacon: He might have to be changed.

Mr. Laughren: There are colleges with capable presidents who are still making all the decisions. They happen to be making the right ones, perhaps; but does that make it a good structure? Is that all you're looking for?

Hon. Mr. Auld: Let's not forget the board of governors. Even though you're not too convinced they're as representative as they ought to be, they're still there.

Mr. Laughren: Yes, but I know, too, that a lot of the boards of governors are provided with information by the president, because he has the detailed knowledge of the college. Consequently the board almost has to accept his opinion.

That's been part of the problem, too, you know that. The boards of governors were getting information almost entirely from the president, partly because there was no student or faculty representation on the boards. That's another reason you need broader representation on those boards of governors.

Mr. Deacon: But if you have public evaluation of the results and what's happening in the college—

Mr. Laughren: There is none.

Mr. Deacon: If you do, and this is one of the things they're trying to do in these studies, and if we increase the number of divisions studied, surely those published evaluations are the way, really, to convince a board and make them aware of what the real score is.

Mr. Laughren: But it's not an elected board. Even if people are unhappy with it, what do you do about an appointed board?

Mr. Deacon: That's a public document.

Mr. Laughren: What do you do about an appointed board on a public institution that you're not happy with? What can you do about it?

Mr. Deacon: With a lot of community pressure you can change it.

Hon. Mr. Auld: You can change it, I guess.

Mr. Laughren: How?

Hon. Mr. Auld: By unappointing. People are appointed for a term, but during the pleasure of the Lieutenant Governor in Council.

Mr. Laughren: That's not a very good way of running a public institution.

Mr. Chairman: Shall item 2 carry?

Mr. Laughren: No, you're stone-wallling here. Why don't you take a look at the structure of the colleges?

Hon. Mr. Auld: I'll be delighted to discuss that when we get to the college vote.

Mr. Laughren: Then you'll say: "That's the kind of long-range planning you should have discussed back in vote 1." I can hear you now.

Hon. Mr. Auld: No, I promise you I won't say that. I'm not going to promise you what I will say, but I won't say that.

Mr. Chairman: Does item 2 carry? Carried.

Mr. Deacon: On common services, I know its salaries and wages, have jumped very sharply from 1973-1974 to 1974-1975, and in 1975-1976 again there is another big jump, in the order of 15 per cent to 20 per cent. What are the common services that we're talking about here?

Hon. Mr. Auld: Remember I mentioned, in talking about the overall total increase, that the energy conservation programme of \$531,000 was in here. I can give you just a few figures to indicate that. As I say, it's a transfer payment. Carleton is \$92,000; Fanshawe College, \$62,000; and Laurentian University, \$100,000.

Mr. Deacon: How did you work out this allocation? Those are the five which are part of the deal who are working with you?

Hon. Mr. Auld: I assume—this was worked out by ourselves in conjunction with the Ministry of Energy.

Mr. Deacon: Had they decided on certain colleges and universities?

Hon. Mr. Auld: I think each one is to look at different aspects, different things that they should be looking at in terms of how to conserve. Then there's an overall figure for contingencies, energy management, combined workshop, a bibliography and so on. There's a Western-Fanshawe joint research project; and York University, Western, Waterloo, Trent and Guelph.

Mr. Deacon: That's for \$500,000. How many of your people are on this \$1,924,800? How many people were involved in that expenditure; and what is the work they're doing?

Hon. Mr. Auld: In salary? There is a complement of 135, which includes the executive director's office, the administrative services branch, budget services, chief accountant, records services, purchasing, office services, the information branch with its complement of six, the audit branch with a complement of five, the personnel branch with a complement of eight, statistical services with 16, institutional accounting with 31 and library with six.

Mr. Deacon: Are we building a lot of buildings that we have to have 31 people in?

Hon. Mr. Auld: In the institutional accounting group, which operates all the transfer payments to universities and others, they also are responsible for securing the maximum reimbursement from the federal government under cost-sharing programmes. There are a lot of discussions, and a lot of time is involved with interpretation of things.

Mr. Deacon: You said you had 31 in architectural?

Hon. Mr. Auld: No, in institutional accounting and architectural services.

Mr. Kidd: There is the one branch, 19 in the accounting side and 12 in the architectural side.

Hon. Mr. Auld: Okay?

Mr. Deacon: I am wondering whether, if we got away from all these tricky formulas, we couldn't reduce the number of people required here? These formulas, as I mentioned before, are causing a lot of problems and distortions in universities; and the block allocating—

Hon. Mr. Auld: I rather think, without getting into the formula bit too far, we are going to have to have a formula. That's certainly what the institutions believe. It is pretty well generally accepted that the present formula has to be changed, though.

I made a note to mention that the Council on University Affairs made a recommendation to me a week or so ago to give warning to the universities that we were proposing that the council was planning to recommend a change in the formula. They haven't decided what they are going to recommend; they are still having hearings.

Effective in the 1976-1977 year, is it?

I wrote a letter to all the presidents giving them warning that this would be happening, but somebody has to get the data for the Council on University Affairs, because the council doesn't have a large accounting or statistical staff.

Mr. Deacon: And this is one of the things your people do.

Hon. Mr. Auld: This is one of the things our people do, because for a long time I think we are going to have a sort of overall formula; and we are going to have special cases, at the northern institutions and some of the new southern ones. I would say the formula is presently about as simple as you can get it. Maybe that's one of the reasons it's a problem.

Mr. Deacon: Yes, that's right, but I have often thought it is so much better if you can give the university representative the information your people could give him on what's going on in each of the universities. Then give the university people the responsibility under the ministry's chairmanship of allocating that block amount of money you have set aside for them. They can then take into account things that cannot be looked after by present method and formulas.

Hon. Mr. Auld: Basically that is what the council does with the accounting expertise of people in this branch—

Mr. Deacon: It worries me that as you get into formulas, you start to get people working and distorting things; the tail starts to wag the dog. This other way, with the back-up information you folks could have, there's some pretty open assessment and an open discussion. Don't make things too secret. It's better where people can actually sit like people can here and listen to the discussion and the arguments.

Hon. Mr. Auld: That, of course, is what the council has been doing, as you know. They had their round of hearings last fall and they are on their second round for this year, which covers a little broader spectrum. It will be completed about the middle or the end of June, I think?

Mr. Kidd: Yes, about then.

Hon. Mr. Auld: They have been cranking out recommendations every so often to me.

Mr. Chairman: Shall item 3 carry?

Mr. Deacon: Why do we have to have six people in information services?

Hon. Mr. Auld: They answer an awful lot of questions.

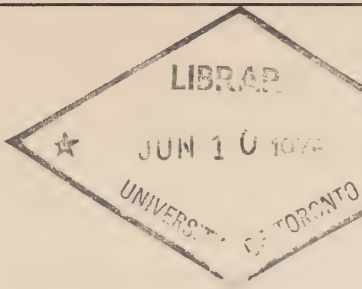
It being 6 o'clock, p.m., the committee took recess.

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Ontario. Legislative Assembly

Legislature of Ontario Debates

ESTIMATES, MINISTRY OF COLLEGES AND UNIVERSITIES

Standing Social Development Committee

Chairman: Mr. R. G. Hodgson

OFFICIAL REPORT — DAILY EDITION

Fifth Session of the Twenty-Ninth Legislature

Monday, May 26, 1975

Evening Session

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

THE QUEEN'S PRINTER
PARLIAMENT BUILDINGS, TORONTO
1975

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LEGISLATIVE ASSEMBLY OF ONTARIO

MONDAY, MAY 26, 1975

The committee resumed at 8 o'clock, p.m.

ESTIMATES, MINISTRY OF COLLEGES AND UNIVERSITIES (continued)

On vote 2501:

Mr. Chairman: The member for Nickel Belt on item 3.

Mr. F. Laughren (Nickel Belt): I won't dwell at great length, Mr. Chairman, because I would like to get into the university support programme vote. This was the vote which the minister agreed to discuss, Campus 8, and I wonder if he could tell me how this computerized programme is aiding the various campuses across the province now. Secondly, whether or not there seems to be a better acceptance of it by the individual institutions, and what the Campus 8 is doing now, whether or not it is merely encouraging the compilation of those incredible documents called five-year plans. I don't know whether that is your natural ideological bent to encourage five-year plans or not.

Mr. D. M. Deacon (York Centre): It's a good idea but it has to be developed.

Mr. Laughren: The institution has these five-year plans but the ministry goes from year to year, month to month, and it doesn't seem fair somehow. I wonder if you could tell me about Campus 8.

Hon. J. A. C. Auld (Minister of Colleges and Universities): I wonder if I might ask Phil Adams, the assistant deputy minister of the colleges and manpower training branch, to answer. Previously, he was with Management Board and looks at these things pretty carefully. He might comment on that.

Mr. T. P. Adams (Assistant Deputy Minister, College Affairs and Manpower Training Division): Mr. Chairman, on Campus 8, about a year ago Management Board secretariat carried out a brief review of Campus 8 application, as it reviewed all of the major applications across the government relating to data processing. It recommended to the ministry that the ministry should engage a consultant to do a real over-

haul, in depth, of essentially the ministry's needs for information for planning; what information is needed in the college system itself; and then to determine to what degree these needs are being met through the Campus 8 system.

Mr. Laughren: Excuse me, do you mind if I just interrupt—wasn't Campus 8 itself a consulting arrangement?

Mr. Adams: I understand it was originally developed about five or four years ago under contract by SRG. About a year and a half ago SRG was bought out by SDL and hence the contract passed with it. It was a computer service bureau and consulting outfit which developed the concept. That is correct. It was, in effect, running the system for the ministry and for the colleges. As I say—

Hon. Mr. Auld: I think they also hoped to sell the same system elsewhere, didn't they?

Mr. Adams: Yes, SDL was selling versions of that system in the States extensively, too, and apparently with some success. But Management Board thought it would be appropriate to have the whole thing reviewed to make sure we are getting our money's worth and our needs were being met.

Consequently, the ministry surveyed three consulting firms, had them all make bids and on the strength of their submissions Woods Gordon was hired. They have just about two weeks ago submitted their final report. There are 27 recommendations. We have taken a number of steps so far to implement these recommendations. No. 1 was to establish a steering committee to oversee the overall implementation of the recommendations. I am chairman. There are two college presidents: Mr. Sisco who is the chairman of the Council of Regents; we have engaged a secretary and a leader of a task force by the name of Howat Noble who has a college background.

The second step has been to organize a task force of college and ministry staff and so far we have seconded three senior planning officers from colleges. These are chaps of very high repute and we are making further secondments from inside so we will have a real pool of applied talent there.

The third step has been to negotiate an end to the existing SDL contract and that calls for a termination of SDL services by August, 1975; that is several months away.

Mr. Deacon: Was that the normal termination date? What was the termination date?

Mr. Adams: It was sort of open-ended and we have determined we are going to stop with SDL; sharp, bang.

Mr. Deacon: Was there a penalty clause?

Mr. Adams: That was in line with the recommendations of the consultants.

Mr. Deacon: There is no penalty on that?

Mr. Adams: No, there isn't. Meanwhile we've arranged for the interim running of the planning model on one of the government's computers, so that we don't have a hiatus between the termination of SDL services and until we are able to develop a streamlined and simplified version. The steering committee has recommended—I believe this is very much the case—that the ministry must have a planning model. You have a very large business enterprise out there, with about \$600 million invested and \$200 million every year in operating funds. Honestly, you have to have some good flow of information for administration and for forward planning. The model does do this and it's just a case that we can make it better, we can achieve it much cheaper, and that's what we are working at right now.

Mr. Laughren: Could you tell me, when did Connect Campus first start? When it was SRC? Was that about 1970-1971?

Mr. Adams: Yes:

Mr. Laughren: Do you know how much money, in round figures, has been spent on the total cost of that service to the ministry, and/or the colleges themselves, since its inception?

Mr. Adams: I'm told it has been roughly about \$1 million a year—that's through the colleges and from the ministry, in total—and this past year it was reduced to two-thirds of that in total.

Mr. Laughren: I am moved to make a comment—I will ask the minister because he set the policy. Don't you think it would have been wiser to have listened to the individual colleges five years ago, when they said that this is not doing what it should—this is not a good programme?

Mr. Deacon: A waste of their time and our money.

Mr. Laughren: A lot of money has been spent there.

Hon. Mr. Auld: Of course, it's always—

Mr. Laughren: It's not hindsight and don't say it's hindsight. Because they were saying it then themselves.

Hon. Mr. Auld: As I say it's easier to have 20-20 hindsight. From what I have read, and this would be about a year and a half ago, I think they had some rather good theories or good goals. How practical of achievement they were is a question, and just how well it could fit in with the community college system and its own administration at that time—its own data base and so on—is certainly a question.

Mr. Laughren: I guess they saw the handwriting on the wall when they realized that a consulting firm had been hired to investigate them.

Hon. Mr. Auld: I don't think so. This may well be, and I'd have to refresh my memory on this, but I had a good deal of data on it about a year ago because I expected people were going to ask me about it. They had some internal problems in their own firm.

Mr. Laughren: Who? SDL?

Hon. Mr. Auld: From what I read in the press, I gathered that they were losing money because it was a very sophisticated programme—perhaps more data was being collected, just for data's sake, than anybody could ever use. They had put a lot of money in it and they expected to be able to sell it elsewhere and weren't successful. Consequently we probably paid for more information than we required. It cost them even more than that, and they were losing money on it.

Mr. Laughren: Who wanted the system?

Hon. Mr. Auld: Not having been minister at that time I really can't say, and I don't think Dr. Parr can because he wasn't deputy minister. But I would assume the college system, through the Council of Regents and boards of governors—a variety of people obviously wanted it. It was coming out of everybody's pocket.

Mr. Adams: Could I elaborate on that, sir? I must apologize that I wasn't around either but I have been very interested in the background, of course.

As you may recall very well, the college system essentially crashed into existence. In a very short time, there it was, with 19 colleges up and going and expanding very quickly. It

became apparent that the next step was to try to get some control on there so we at least knew what was going on and in which direction we were going. It seemed, at the time, the best way to impose a discipline on reporting, because on that particular point, I understand, there is no really standardized reporting system or, indeed, standardized operating system. Each one had been the result of their own managerial expertise, but no uniformity or consistency. So, I think that it's generally acknowledged that the Campus 8 system did that; it imposed a discipline and a sort of consistency in reporting relationships so that this all came through.

It is true that some colleges are more critical of the campus system than others. Some, I might say, are very enthusiastic users of it. With 22 colleges now, you have a whole spectrum of attitudes toward it as, indeed, you would have in a government itself. Every ministry is required to submit multi-year planning information. I think it's true of human nature that there's a reluctance to provide for central purposes a lot of laborious, tedious information—as it's viewed—and some are more enthusiastic or less enthusiastic about others. I think we have this in the college system too.

I must say this, though, in the past month, as Woods Gordon were coming down to the wire and we weren't sure what their final resolutions were, a significant number of college people said to me: "Let's not throw the baby out with the bath water." I've heard that so many times it's got to be a joke, but they're afraid that we'd shut down the whole thing and everything which had been achieved would be lost because, generally, it's conceded that in balance we have achieved a lot through Campus 8. But there is a real opportunity for improvement in economy, and that's what we're working on right now.

Mr. Laughren: Have you been able to select certain components of that model and apply it to your own computers?

Mr. Adams: Yes, that is what we're working at right this moment. In other words, we're going to liberate the whole thing; get it on to government computers and then work at streamlining it. We'll certainly be in a position then to call the shots and put it out as we see fit on a tender deal, or whatever.

Mr. Laughren: Why wouldn't you do it from within the ministry, since you have access to government computers?

Mr. Adams: This we may very well do. I can't be definitive about what the next six months will hold. This is our position right

now, having received the report about three weeks ago.

Mr. Laughren: Right. Is that Woods Gordon report available for public consumption?

Mr. Adams: Yes, I would say it would be. I know that all the college presidents and the chairmen of the boards received executive summaries. I believe, sir, that you informed them that when the report was available we'd undertake to see that those who were interested would get the detailed report.

Mr. Laughren: Would it be possible for us to have a copy of that in the next day or so?

Hon. Mr. Auld: I'd be delighted, as long you don't want 1,000.

Mr. Laughren: No, I'm sure that one would be plenty.

Hon. Mr. Auld: It will keep you awake on the weekends and you will have a wonderful time.

Mr. Deacon: Mr. Chairman, I think this whole experience shows up something which is quite common in business. If you have a system imposed by management from the top, it really doesn't get accepted and it nearly always has problems. Certainly, my experience has been when you have a situation where you want to get common reporting—and I think that's essential if you're going to evaluate an overall thing—you've got to have the information where it's useful to those who are preparing it, as well as those who are at the top who want to have it on a common basis. Therefore, you've got to involve them in the design of whatever system you're putting in.

This was the major problem that I sensed in talking to Campus 8 people. They weren't involved at the beginning. I hope now that you're involving more than just those two college presidents in this whole thing. Because in 19 colleges there is certainly more than one person in each college; they would be a very great help and they should be part of whatever you're doing, if you're going to set it up again.

I can't help but think that practically every college has seen some use in that; but there is an awful lot of it that isn't useful and it's wasted time. If you can get down to the real essentials, that they need to help their own operations, then a lot of that comparable information is going to be a great help to them in directing their own inner operations. This would be the greatest change in emphasis as far as the ministry is concerned. I hope you really will involve more industry.

Mr. Adams: I certainly accept your point, sir. I think it is well taken and I can assure you that our intent is to make it as broad as we possibly can and get the commitment and input of all users.

Mr. Deacon: When you are having your session—and I hope you have these 19 people in and you are chairing it—I think you will find that when you start to pull out what they don't need and what they do need and start to argue it, they'll simplify a lot of it. They have got a lot of extraneous points themselves.

Mr. Laughren: Is it your feeling that the five-year plan is a valid request of the colleges?

Hon. Mr. Auld: I think it's a valid request. In going back to your earlier remarks, I don't see any magic in five, or four or six, I don't think that any of us would want to make any large wagers on how accurate a five-year forecast can be. It is certainly better than nothing and it makes you do a little thinking. As you would remember in the educational field, it is very difficult to predict what the demand is going to be; what you are going to be teaching in a technological field; and what you may require in equipment that far ahead. But I think you get some very sound stuff for a year and some pretty good stuff for two years and three years and some idea in five years. I think, more importantly, the people at the other end start thinking a little longer ahead.

Mr. Laughren: I have seen examples where the college just feeds in the same figure every year for the next five years, just plugs it in that way. Really, you are not getting anything out of it.

Hon. Mr. Auld: Oh, yes, and the extrapolation—we all know that's a great way to go wrong with confidence. On the other hand, we have a recommendation that we cut this down to three years, which may have some advantages psychologically in the point I think you are getting at, Floyd. If you say five years and everybody knows it's impossible, people are—

Mr. Laughren: What credibility? I have talked to a few, not a cross section of the college community, and they indicated a real resentment. I know that it's the prerogative of the ministry to decide what they ask for and what they give, but the colleges resent the fact that there they are, supposedly having to plan this far ahead and in return are not getting any commitment from the ministry.

Hon. Mr. Auld: You brought this point up a little earlier and I think you did, too, Don. The real problem that I or whoever happens to be

sitting in this chair has, is that the Legislature is down the hall, and not only in theory but in practice votes the funds. I cannot give a firm commitment.

Mr. Deacon: You give commitments in other matters.

Mr. Laughren: Come on, don't do that to us. When was the last time a vote was changed?

Hon. Mr. Auld: Well, I hope that that won't change.

Mr. Laughren: It might change the minister's salary back to a dollar.

Mr. Deacon: They haven't managed even to carry that vote.

Hon. Mr. Auld: We have already cut it by five per cent. That's a very sensitive subject this year, I can tell you. What I am hoping to do—and I have said this in the House as well as to the universities and the colleges—is to be able to give a better idea of the capital end for one thing, because I think we can do that. The precedent has been made to give, say, a three-year forecast. But there are so many factors in terms of operating support that there would be the same sort of percentage or level of operating support in relation to the provincial budget in the next two or three or four years as there is this year, which is not wild comfort for some people.

Mr. Laughren: Which is less than previous years.

Hon. Mr. Auld: Interestingly enough, some people are balancing their budgets. I think that's about the best we can do. I don't want to labour this point. I'm not trying to put you on, but there are many factors to consider, like our negotiations with the feds, tax points, tax policies, and the state of the economy, because if it's not coming in to us we don't have a bank where we can print money. We can only borrow so much.

I would be very cautious about making statements that there will be so many dollars, or so many constant dollars in 1978. I've heard people do that before when they thought they were guessing pretty well, and they've turned out to be wrong. If they are wrong, they're severely criticized. Others get themselves in a jam because they've banked on that.

Mr. Deacon: There's always the danger of that. At the same time, your pattern in the past has been fairly consistent. You've usually been a little bit higher than previous year in the increase. I think the main difficulty they've had in the past is the change in the ground rules

in the form of the grants and emphasis. This has been confusing to them. I think I've heard comments like that more than any others.

Hon. Mr. Auld: In fairness to the ministry, the ground-rule changes were all made to assist the institutions.

Mr. Deacon: Yes, I realize that.

Hon. Mr. Auld: I don't think the institutions were looking carefully at population projections and at exactly what we were doing, when, in the Sixties, the grants and enrolments were going up 25 per cent a year. In the Seventies, as I said earlier today, it's been about four per cent. In fact, this year the percentage increase is higher than it's been for quite a while.

Mr. Deacon: I have been interested in a procedure that I know one division of Fanshawe has called on to get its budget worked out. They are doing some long-range budgeting. This particular division—maybe they're not all as conscientious as this—but for each programme, the faculty members establish budgets in some detail. Then the division criticized each programme put forward by the faculty. The college-wide evaluation of the total was away off beyond what they could spend. There was a requirement to cut back. But even then, that requirement was cut back, not on a 10 per cent across the board, but there was argument between the divisions as to where the demand was or would be, and then the divisions cutting back within their various programmes.

Hon. Mr. Auld: Sounds kind of familiar.

Mr. Deacon: Yes, that's right. It's the same process as you're having to go through. At the same time, that open sort of evaluation of programmes is a pretty healthy thing in which they can, with that, do some pretty realistic budgeting and planning for the future. I don't think that it's a bad thing to indicate that the constant dollar total for college work may be in a different form. I don't like to see us going into more money towards more buildings and capital expenditures. I think this is one thing the colleges may have done too much of, at a cost of making use of the facilities within the community that industry and others can provide.

Hon. Mr. Auld: It depends where you are, because there are some places where you can't rent anything. In Brockville, for instance, it's difficult.

Mr. Deacon: You won't be renting. It's a matter of working out co-operative deals with business, or other areas, to help provide the facility and the on-job training.

Hon. Mr. Auld: Yes.

Mr. Deacon: You could be doing it for a lot less money. Maybe we'd get accused of subsidizing business, but it's a matter of a saving in tax dollars.

Hon. Mr. Auld: You could get into different rules of the game. The fire marshal comes along and says, "You can't run that kind of an operation in this kind of a building."

Mr. Deacon: Well, yes and no.

Mr. Laughren: Not in Sudbury.

Mr. Deacon: The fire marshal usually will be fairly sensible. You don't want to operate if it's providing too much danger.

Hon. Mr. Auld: The one that Floyd is talking about—

Mr. Laughren: They operated in a condemned building for years.

Hon. Mr. Auld: Yes, and that has a religious connotation too.

Mr. Laughren: Yes, that's right. That's all that saved them.

Hon. Mr. Auld: There are some where you have very high maintenance costs. If you know it's going to be a continuing programme, or the kind of space that can be used for other things, you are better off. It varies from place to place.

Vote 2501 agreed to.

On vote 2502:

Mr. Laughren: I'll just wait for a moment, Mr. Chairman, while the shuffling—

Hon. Mr. Auld: For the benefit of the committee, this is Mr. Ben Wilson, the assistant deputy minister of university affairs, and Mr. J. C. Yen, co-ordinator of university relations.

Mr. Laughren: University relations? What does that do—make sure they get along with each other and don't get together and attack you? No common front?

Hon. Mr. Auld: JC, would you say we are successful with your university relations?

Mr. J. C. Yen (Co-ordinator, University Relations): I most certainly would.

Hon. Mr. Auld: Your answer, Floyd.

Mr. Laughren: Mr. Chairman, I thought a good place to start commenting about the university vote would be on something the minister said last fall. He said the support which was forthcoming to the universities was based

on three premises or with three objectives in mind. The OCUA picked those objectives up and commented on them in a brief. Those three objectives were to offset inflationary trends; to maintain or improve existing level of services; and to accommodate any predicted or anticipated enrollment increases in the universities.

The OCUA demonstrated that in order to meet those objectives a certain amount of money would be necessary and the grants which were being given to them fell short of that by \$16.2 million. That is the figure that the minister mentioned earlier; that is what he was referring to. I think that while no one is so foolish as to think there is a bottomless pit for university funding, the plight of the universities was put in perspective by Dr. Williams, the president of the University of Western Ontario, in a speech he made to the Empire Club of Canada in which he said:

The plight of the university today is this—that we are caught in a contradictory policy. On the one hand we are urged to maintain the policy of openness and accessibility and to maintain and improve the system, while on the other we face imposed budget restrictions, plus the impact of external events, i.e., inflation and altered government policy. The universities no longer have as high a priority in the competition for public funds as have transit and regional government, to say nothing of health, primary and secondary education, and the civil service as they make their demands on the public purse.

I think that expresses the sense of frustration of the universities.

Dr. Williams goes on to make a point, too, about what is happening in the universities with the budget restrictions. He spends quite a bit of time on the whole question of the consumption of capital whereby universities can get by in the short term but in the long term they are consuming capital by using up their reserves and not making repairs or even carrying out necessary maintenance of their equipment and buildings. There is a false economy there somewhere.

He also points out—I guess he doesn't point it out—I have done some research and compared the basic income unit increases with the consumer price index increases. I was speaking to Dr. Parr earlier. He made a point I had thought about too, that is using the BIU as the sole measure of increased grants to the universities. It is probably not statistically sound. If everything fitted into place perfectly in the university, and you didn't have to hire any faculty, purchase any new equipment, alter

any buildings, and could just carry on the way you were, and absorb the increased enrolment, there could be some kind of trade-off between the BIU increase and the actual operating grant increase. You would then have a more realistic figure.

I don't know what that figure should be. I suppose someone could do it mathematically. I think, and I'm sure you would agree, things don't work that way. Things just don't fit into place in the same proportion.

I know, if you compare any set of statistics with the BIU increases, whether it's the wholesale price index or the consumer price index, you get a considerably higher increase in the cost of living or purchasing than you do with the increase in the basic income unit. That was why universities were requesting a more realistic increase in the basic income unit.

I'm going to go into some detail on the problems the universities are facing. In a brief to the Ontario Council on University Affairs by the Council of Ontario Universities last fall, they made several points. I do not find myself in too much sympathy with the Council of Ontario Universities. I find that, by and large, they wouldn't hesitate to increase tuition fees in order to meet their increasing costs rather than take other steps to restrict costs.

They made a good point when they talked about the problem of meeting increased salary demands in order to have a good level of service, a good faculty, a good staff in the university. They compare the starting salary for a comparable job. They talk about the salary arranged for a statistician 3 employed by the government of Ontario in 1973-1974 being \$15,501 to \$18,845 a year, whereas an assistant professor of statistics, who would need at least as high qualifications and then be able to teach, would receive \$14,300 to \$16,275. You would have a gap. You would wonder how long that assistant professor of statistics would sit back and watch people of equal or lesser qualifications drift into the civil service and earn more money. You can see that situation puts the universities in an awkward position.

Apparently in 1974-1975, salary increases to faculty in Ontario universities ranged from 9.7 per cent to 11 per cent, certainly more than the basic income unit increase. Collective bargaining settlements in Ontario during the second quarter of 1974 increased by 13.8 per cent in all industries, and 10 per cent in the education and related services sector.

You can see why the Council of Ontario Universities is once again saying, "Look, there is something out of kilter here. It's not a case of us trying to feather our nests any more, it's

a case of just trying to keep even and pay our people a competitive salary."

I indicated to you, before we broke for supper, some of the rather startling increases in the cost of goods for the universities as well, which certainly, whether you use the BIU straight, or whether you use some kind of trade-off between the BIU increase and the operating grants increase, you still end up behind the eight ball with funding for the universities.

I think that is something the ministry has to take a pretty serious look at, and perhaps build something into the grant structure so that there isn't a penalty being applied to universities putting them in the impossible situation of not being able to keep their qualified people.

Hon. Mr. Auld: I think in talking strictly about faculty salaries, we have to think about working conditions and other income and that whole field—and that's quite a large one. But I think, too, that if you look at the picture again and the handwriting that has been on the wall for some time, and again get back to a very broad statistic—which can be unfair in certain applications—that with this great growth in enrolment, the faculty-student ratio stayed within 9.2 per cent.

You look at some of the calendars in some of the institutions and you see a great variety of courses. You see enrolments in these courses which, certainly from looking at the calendar, seem to be virtually the same—three or four courses which seem to be virtually the same. If you look at some of the institutions where, for no doubt good reasons, there are courses with very low enrolments and which are duplicated in two or three places. They probably could be done—

Mr. Laughren: Within the same university?

Hon. Mr. Auld: No, duplicated by several universities; as well as the kinds of courses which are duplicated within the university. It would seem to me that you could still have a high quality of education. You might require some faculty to teach something that they haven't been teaching for a while, something close to their own specialty and something within their own discipline.

One example, it seems to me, is mathematics. Without mentioning institutions, there are several courses in mathematics—a separate one in the engineering faculty—but with the same curriculum as in one of the other faculties. There could be better use made of existing resources.

I don't disagree about the increase in fuel

costs of 30 per cent, but that 30 per cent in fuel costs is a very small part of the total costs of the institution. I guess salaries are about 80 per cent. I must say if fuel was five per cent of the cost of running our own house, I would rather have it go up 100 per cent than food go up 10 per cent because at the end—

Mr. Laughren: The way toilet paper did.

Hon. Mr. Auld: Well, cross your legs and hope for the best.

Mr. Laughren: The point I'm trying to make, though, it is not just one item. You are talking as though one item went up.

Hon. Mr. Auld: You are talking about one item.

Mr. Laughren: Oh no, I listed a dozen items.

Hon. Mr. Auld: Seriously, they are perhaps 10 per cent of the total operating costs. I'm not suggesting that the institutions don't have difficulties, but I am suggesting that sometimes what you read about the difficulties might be a little misleading.

Mr. Laughren: Maybe this is the university relations job—I'm not sure—to say to these institutions: "Look, the ministry feels that you are aware of the calendars and so on. How come you are doing this, this, this and this? You've got duplication here, not only within your university, but look at this other university; you are offering the same kind of programme."

Hon. Mr. Auld: Now, Mr. Laughren, what we are saying—and I've said it publicly I don't know how many times; you have to sharpen your pencil—is that everybody can't have every course in the book for every institution—

Mr. Laughren: Right.

Hon. Mr. Auld: —that you can't do all the things that you were doing, but continue to do things that you can do well. But the institutions, and you know their situation as well as or better than I do, they set their own admission standards. There is a great feeling, which I must say I share, that autonomy within the university community is a good thing—so that they are not all like peas in a pod—and they will be competitive. Because of their own traditions and their own sort of inherent desire to be the best, they will do a good job. But they are not going to be able to do it in every conceivable field.

Mr. Laughren: Do you think there should be a University of Ontario?

Hon. Mr. Auld: No. Although if there were, I suppose we could do as the State University of New York has done, and start closing a few.

Mr. Laughren: Is that what they did?

Hon. Mr. Auld: And Florida, I see, are about to do the same thing.

Mr. Laughren: What happens though, if a university phases out a certain programme because of low enrolment and it's offered at another university, and a student wants to go into that programme—let's say, Latin or Greek? I don't think there are that many people taking those now at the post-secondary level. Those students don't receive any kind of extra grants or loans, do they, for going to another university?

Dr. J. G. Parr (Deputy Minister): OSAP looks after that automatically.

Hon. Mr. Auld: Oh yes.

Mr. Laughren: So there is a way there if they wish to rationalize it that way? Do you feel there is still a lot of room for removal of duplication within each institution?

Hon. Mr. Auld: I think so, in some institutions; in others there may be less. I think there is certainly room in a number of the universities that have qualified, having good faculty and the space; they would require a very small additional expenditure that would be well covered by the existing grant system. I am sure you have seen the comments of a number of university presidents, who have said, "Send us people. We can handle them well with practically no cost."

Mr. Laughren: But I can imagine there are economies that can be realized at a huge place like University of Toronto. For example, what is the faculty-student ratio in the school of medicine at the University of Toronto? One to one?

Hon. Mr. Auld: I haven't got the big book here.

Dr. Parr: It is very difficult for us to work out because of the large component of part-time people who are in the practice.

Mr. Laughren: Is it true or is it not true that the school of medicine at the University of Toronto is the only one that does not require a limit on outside involvement by a doctor who is a member of the school of medicine faculty? Is that true?

Dr. Parr: We don't know.

Mr. Laughren: Is that entirely up to them?

Dr. Parr: Basically so, yes.

Hon. Mr. Auld: I am sorry I missed that. I don't have the breakdown. I have got it for U of T but not by faculty.

Mr. Laughren: Is it possible to get it, particularly for the faculty of medicine? That's an intriguing one at the U of T.

Hon. Mr. Auld: I suppose you could. However, it might be a little misleading unless it was broken down into part-time, full-time, number of hours and that sort of thing. We can ask them.

Mr. Laughren: That's part of the whole thing about disclosure of public institutions, particularly universities, where the public says: "Why in hell should we get uptight about the problems of the universities? We don't even know what's going on in there." Even you yourself, say, "Well we can ask them. I don't know whether we will get it or not."

Hon. Mr. Auld: Oh, we will get it. I hope we will get it in a form we understand.

Mr. Laughren: Well, that is a responsibility too.

Dr. Parr: But quite apart from the issue of a willingness to supply it—and I am sure the University of Toronto would be—it is terribly difficult to measure, particularly when one attempts to work out what the contribution to clinical teaching is in terms of full-time faculty equivalent. The people who are standing up giving their biology courses, one can measure well enough; but those who are dealing in the clinical areas, it is awfully difficult to form an equivalency.

Mr. Laughren: Especially since they don't have Campus 8.

Mr. B. A. Wilson (Assistant Deputy Minister, University Affairs Division): Mr. Minister, there is a study under way to attempt to assess the amount of outside involvement of the clinical teachers. There is quite an extensive study by the Ministry of Health under way now getting at some of these facts. I think it is going to be difficult to give you exactly the answer you want at the moment, but the study is under way.

Mr. Laughren: I wouldn't be too sure about the University of Toronto. I remember the select committee on economic and cultural nationalism. I think the member for York Centre was on that. Wasn't it the University of

Toronto that refused to give the information on the nationality of its professors?

Mr. Deacon: I think it was Western, but I can't quite recall.

Mr. Laughren: I think that was when John Evans was flexing his muscles.

Hon. Mr. Auld: That would be in kinetics, would it?

Mr. Laughren: I would like to ask you whether or not the following dilemmas are of the making of the particular institutions referred to; whether or not you think there is a way out and if so, what is that way. This is information I have obtained from the universities. It's public information. Most of it came through briefs to the Ontario Council on University Affairs.

I'll start with everybody's favourite university, the University of Toronto, where they say their problems are the following: Recent wage settlements averaged 12 per cent and this increase could not be met out of the BIU increase; also, they are going into 1975-1976 with a \$2 million surplus but they anticipate a \$5 million deficit and therefore will carry a \$3 million deficit into 1976-1977. Short-term faculty appointments are made where possible. BIU announcement was made very late; staff commitments had to be made prior to the announcement. Lack of capital funding has caused further financial problems as U of T has an old physical plant which has not been upgraded or renovated because of BIU short-falls.

Do you think those are legitimate problems out of which the University of Toronto can work its own way?

Hon. Mr. Auld: Taking it point by point as I recall them, I am not sure what their contract practices would be but my understanding is the announcement I made a year ago—no, last November—was in time for contract negotiations with faculty. That was one of the reasons it was made at that time, when it was apparent there was not going to be the amount of money for university support that the universities apparently were expecting.

I have said before there would probably be some deficits. There have been deficits in universities and some colleges, too, in the past and they have worked themselves out.

Mr. Laughren: Could you be more specific? If the University of Toronto is going to have a \$5 million deficit this year—if what they say is correct—and therefore will carry a \$3 million deficit into 1976-1977, is that acceptable to you?

Hon. Mr. Auld: Knowing something about the unencumbered assets of the University of Toronto as indicated in their own balance sheet—one sum that comes to mind is about \$20 million from the sale of Connaught Laboratories, some of the income of which is being used for grants and certain kinds of research—I would have to say they are probably talking about current account.

Mr. Laughren: I have never seen the balance sheet of the University of Toronto.

Hon. Mr. Auld: It is public information.

Mr. Laughren: Right; I am not saying I couldn't have. Are you suggesting that deficit of \$5 million or, if they use up their surplus, \$3 million—that \$20 million figure you used is something they could be drawing on for their operating expenditures?

Hon. Mr. Auld: That is my understanding, and, as I say it is not an endowment figure. It is not encumbered in some way.

Somebody mentioned earlier this question of the statement I made in the House, I guess last year. I said that according to the financial statements of 15 universities, there was a lot of dollars—I think \$200 million—some of which was encumbered, which still could be used in a loan fund to other universities which had to have funds for short-term deficits. It seemed to me this would be a good way to ease the transition and do the difficult things that had to be done to adapt to the kind of public support that was going to be available.

Mr. Laughren: Are you trying to get them to draw down all their accumulated surpluses?

Hon. Mr. Auld: Oh, no.

Mr. Laughren: How else?

Hon. Mr. Auld: No, I said it was possible. In fact, technically it is possible to borrow from endowments if you don't want to go to the bank and pay a higher rate—in other words, say the difference between what you would get if you lent it to somebody, and what you'd pay if you borrowed it by doing it yourself internally.

Mr. Laughren: But then repayments would have to come out of those operating expenditures.

Hon. Mr. Auld: Oh, certainly.

Mr. Laughren: Well, if they can't get by with the present level of operating expense how could they make the repayments?

Hon. Mr. Auld: But the argument, if you recall the recommendation from the Council on University Affairs for that \$16.2 million—and there is some argument just whether it was \$16.2 or something less—was that the institutions found it very difficult to make the adaptation as rapidly as they were being forced to do so. I've argued about that. I said again this afternoon, that it shouldn't have come as any great surprise because the handwriting was on the wall, and has been for some time. However, if they were to make the kind of adaptation which is necessary, they could do so without getting into great financial difficulty. They could either do it individually or preferably jointly.

Mr. Laughren: What would ever motivate the University of Toronto to lend money to Western or Laurentian or Brock? Where is the incentive for them to do that?

Hon. Mr. Auld: I don't know that I want to get into that discussion.

Mr. Deacon: Do you think it practical to lend back and forth?

Hon. Mr. Auld: I don't know. This has happened within the University of Toronto, I'm told with all the various colleges.

Mr. Deacon: Oh, yes, with all the colleges, but not for another university.

Hon. Mr. Auld: It was within their present one. Of course, the University of Toronto is a unique kind of operation.

Mr. Deacon: The University of Guelph.

Mr. Laughren: Would you stop figure-skating around the question? What leads you to believe the universities would ever share their unencumbered funds?

Hon. Mr. Auld: Dr. Parr reminds me I'm not saying they're going to give it away.

Mr. Laughren: Oh no.

Hon. Mr. Auld: They're sharing assets and liabilities on a short-term basis.

Mr. Laughren: I'm not saying it's not possible. Obviously it's possible. What leads you to believe they'll do it?

Hon. Mr. Auld: Possibly, I don't know.

Mr. Laughren: No, I didn't think so.

Hon. Mr. Auld: Perhaps my suggestion that they might think of it, might have some effect.

Mr. Laughren: No, I don't think they're taking your suggestion very seriously.

Mr. A. Carruthers (Durham): What is the source of these unencumbered funds?

Hon. Mr. Auld: Accumulated surpluses, endowments, sales of property, sales of various kinds of assets, like Connaught Laboratories.

Mr. Laughren: Maybe they should sell the Robarts Library.

Hon. Mr. Auld: Would you buy it?

Mr. Laughren: I'm glad you asked that question. If I was the director of library services for the province I sure would.

Hon. Mr. Auld: You'd have your provincial library right off the bat.

Mr. Laughren: Yes, and I would be very happy.

Hon. Mr. Auld: You had better talk to Mr. Welch and see if you can move in there.

Mr. B. Gilbertson (Algoma): Where would you put it?

Mr. Chairman: Shall item 1 carry?

Mr. Laughren: No, no, no, we're just getting started.

Mr. Gilbertson: Bring it up to Sudbury or Nickel Belt or Chapleau.

Mr. Carruthers: Is there competition between universities for students at the present time? Are the enrolments down?

Hon. Mr. Auld: I would say that there is competition. Enrolments are up but I think the anticipated increases falls at four per cent. It has gone up a couple of points since the last time I heard, but it varies considerably in some places. Interestingly enough Trent has been doing very well in the last couple of years. There is 10 per cent to 12 per cent in some places; two or three in others.

Mr. Carruthers: You hear rumours that this is having an effect on standards. Is this true?

Mr. Laughren: It's a dirty rumour.

Mr. Carruthers: It's not a dirty rumour. I just want to clear the air.

Hon. Mr. Auld: I think it depends on who you talk to and what type of course you're talking about. I really can't answer that because that's one of the things that we're currently looking at.

Could I just say one thing, Mr. Chairman? Vote 1 is programme administration. I think what we've been talking about mainly has been vote 2.

Mr. Chairman: I thought so.

Hon. Mr. Auld: If we're complete with item 1, and we could pass that, then we could perhaps more properly discuss item 2.

Mr. Chairman: Item 1 carried. We're on item 2 then.

Mr. Laughren: The University of Guelph had an interesting point. It's fine for you to talk about the sharing of these resources, because that really seems to be what you're hanging your hat on. The answer to the deficits is, "Let them share the resources." You won't go to the next step and say, "How are we going to do that?"

Hon. Mr. Auld: No. That isn't the answer. That was a suggestion that I made.

Mr. Carruthers: What is your solution?

Mr. Laughren: My solution is no problem. I think that allowing universities to operate with deficits is a loser's game. What are they going to do with those deficits?

Hon. Mr. Auld: They're going to make them up in future years, as has been done before.

Mr. Laughren: Out of operating grants.

Hon. Mr. Auld: Yes, or whatever. I am reminded that your favourite, Laurentian, was in a deficit position some years ago and pulled out.

Mr. Laughren: Until you increased the massive funding for the university, yes.

Mr. Carruthers: How do they pull out? With increased grants or by increased fees?

Hon. Mr. Auld: No, they use their capital funds to borrow from and then they made some economies and added a few more students—

Mr. Laughren: And then start all over again.

Hon. Mr. Auld: —and got themselves into the black.

Mr. Laughren: I think Guelph put it in a different way. This is a problem that really hits home, I think, on an individual campus, with morale and so forth. They say that wide disparity between university employees and similar employees elsewhere is the problem. There are 150 Province of Ontario civil servants working on the Guelph campus. One hundred of these got increases of 21.5 per

cent recently, so the discrepancy is increasing. The university cannot compete and, accordingly, the turnover rate is increasing. I think that's the kind of short-term problem—it may not even be short term, but it's immediate—that the institutions are facing. Your non-solution isn't dealing with that.

Hon. Mr. Auld: There isn't a solution that's satisfactory to everybody for that kind of situation, and we have an even worse situation as far as Carleton and Ottawa are concerned; in Ottawa, with federal civil servants and salary rates for what appear to be comparable jobs.

Mr. Laughren: Particularly since they must be bilingual.

Hon. Mr. Auld: On the other hand, there are those who say that working conditions and what not are—

Mr. Laughren: Of the civil service?

Hon. Mr. Auld: The working conditions in the University of Ottawa—

Mr. Laughren: For the staff?

Hon. Mr. Auld: —are more attractive than working in one of the federal departments, and consequently some people are prepared to work there under different circumstances for a different rate of pay.

Mr. Laughren: Are you talking about faculty or staff?

Hon. Mr. Auld: I'm talking about staff.

Mr. Laughren: Staff. I don't see what the difference would be. At Laurentian, for example, no increase for library acquisitions has been possible for at least four years. It's fine for you to say, "Well, that was their decision. If they wanted to put in a library, if they wanted to put it into salaries." But you know and I know that that's not a good sign, that's not a good trend.

Hon. Mr. Auld: If you do not have sufficient funds to do all the things you want to do, you have to make your own choices and set your own priorities. It's the same way within the ministry as far as that goes; some of the things we were talking about earlier in a general way.

Mr. Laughren: This doesn't always make it right. I think what you've left the universities with is an impossible situation whereby they know they have to effect cuts; that is obvious to them, and I think the public at large accepts the restriction on expenditures at the post-secondary level. But, there seems to be an unwillingness on your part to help them resolve

their problems. Just to say that in the interest of fiscal responsibility we are going to force the universities to restrict their expenditures, and then sit back and watch the scrambling at each campus and the problems with morale and with deficit financing isn't enough. I don't believe the deficit financing problem is going to go away, as you seem to think it will, if you just leave it alone.

Hon. Mr. Auld: I don't think so. But I think that if the government were to say, "We have found a way, we are going to close some more hospitals and have more money for universities and we will pay off your deficits," there would be no continuing incentive to reduce the cost. Unfortunately, one advantage of a five-year forecast, certainly as far as government is concerned, is that you can get some idea of what costs are going to continue to run at and increase to.

If you look at the forecasts of a couple of years ago, there was just no way we were going to be able to continue the way we were going. It is certainly very difficult for the institutions, and their own administrations. Yet it is going to be inconvenient for students who will not be able to go to the closest place, perhaps, for a particular course, as we mentioned a few moments ago, although there will be additional support for them if they have to go elsewhere.

It is one of the things we are going to have to look forward to. We will not have every course in every institution. I think it's a great idea, and some of the university people have said so themselves, to become specialized. Don't try to do everything, but do a few things very well. I think that is the route that will pay educational dividends and is also the kind of thing that will solve a very significant part of the financial problem we presently face and can foresee.

Mr. Carruthers: Have there been any steps taken by universities to specialize?

Hon. Mr. Auld: In some, sometimes it has been by design; sometimes partly by chance and geography. Lakehead is one which has established in a pretty short time a great reputation in its forestry course and in mining engineering.

Mr. Carruthers: Which is logical.

Mr. J. E. Stokes (Thunder Bay): Fine bunch.

Mr. Carruthers: Very fine group.

Hon. Mr. Auld: Welcome, Jack.

Mr. Carruthers: Great respect for that group up there in the north country.

Mr. Stokes: They even asked the member for Thunder Bay to speak to their graduating class.

Mr. Carruthers: That's really something.

Hon. Mr. Auld: That's good engineering.

Mr. Carruthers: You are of the opinion that there is room within the university—and it's largely self-government—to economize to a much greater degree than it has in the past?

Hon. Mr. Auld: I think there are still economies that can be made. They are not easy ones to make; they are difficult because they involve people.

Mr. Carruthers: Difficult for all of us these days.

Mr. Laughren: The hon. member for Durham is really suffering, isn't he?

Mr. Carruthers: Yes, I am thinking of going on welfare if I can get on it.

Mr. Laughren: You see, what bothers me is that I don't believe that specializing is going to save McMaster's deficit, for example. They are talking about a \$4 million or \$5 million deficit in the next year or so. By doing what you are suggesting, are they going to be able to work that down?

Hon. Mr. Auld: Oh yes, I should get this out myself. McMaster was one of the ones that did pretty well this year. Their increase was almost 19 per cent on operating grants.

Mr. Laughren: Yes, I have those figures.

Hon. Mr. Auld: Why didn't you refer to that in your introductory remarks?

Mr. Laughren: As a matter of fact, the university with the highest percentage of increased grants was Laurentian.

Hon. Mr. Auld: There is one part of Laurentian which is 100 per cent.

Mr. Laughren: I am talking about the total Laurentian figure.

Hon. Mr. Auld: I was being technically accurate. Nipissing was 47.9.

Mr. Carruthers: Not doing badly either.

Mr. Laughren: No, not badly.

Hon. Mr. Auld: On a somewhat smaller amount.

Mr. Laughren: Sure is.

Mr. Stokes: One hundred per cent of a \$10,000 budget.

Mr. Carruthers: You can do wonders with percentages.

Mr. Laughren: It has to do with something called the bilingual grant and it doesn't take into consideration the increased cost of bilingualism. They'll tell you they still have insufficient funds to operate a good bilingual programme.

Hon. Mr. Auld: The translation of what you just said, because you are trilingual, is that no matter how much it is, it isn't enough.

Mr. Laughren: Yes. Laurentian has put together a brief that will tell you exactly how much it requires. I don't think it is an exorbitant figure.

Hon. Mr. Auld: The 47 per cent was just a formula grant. It didn't include the bilingual, I don't think.

Mr. Laughren: Oh no, that was the total, including northern Ontario grants. Don't try to snow me.

Hon. Mr. Auld: I think the percentage comes down a little if you add the bilingual, because the increase on the bilingual part is not as great a percentage rate as the increase on the formula. However, while you are looking that up, maybe somebody else has a copy.

Mr. Laughren: No, it includes the northern Ontario grant, supplementary grant and bilingual grants.

Mr. Carruthers: What's the bilingual grant?

Mr. Laughren: It is just extra money because it is a bilingual university.

Mr. Carruthers: What is the amount?

Mr. Laughren: I am sorry, \$625,000.

Hon. Mr. Auld: I am told that if you do all that it comes to 50 per cent.

Mr. Laughren: Twenty-six point three for Laurentian.

Hon. Mr. Auld: I am talking about Nipissing.

Mr. Laughren: You can't talk about—

Hon. Mr. Auld: Of course I can, that's the best one.

Mr. Stokes: It's in his interest to do so.

Mr. Laughren: No, the college within the university, Nipissing College. You don't talk about Victoria College.

Hon. Mr. Auld: Well, I wasn't talking about Algoma because that is only 9.2.

Mr. Laughren: Did you get the figure for what Laurentian says would be an appropriate grant to let them offer bilingual programmes properly?

Hon. Mr. Auld: I remember last year we had some discussion about this, and it was a larger sum than we found we were able to provide.

Mr. Laughren: I know that.

Hon. Mr. Auld: I also know that Laurentian were really quite happy when they saw the supplementary grants this year.

Mr. Laughren: Well, it was an improvement.

Hon. Mr. Auld: You are putting it in a very conservative way.

Mr. Stokes: He is not known to do that.

Hon. Mr. Auld: It is unusual.

Mr. Chairman: Shall item 2 carry?

Mr. Laughren: No. We are just getting started here, Mr. Chairman. We could get through this vote very quickly if the minister would be more specific as to how the universities are supposed to cope with deficits. That is really what I am trying to get him to say.

Hon. Mr. Auld: I will be very specific. We plan over a two- or three- or four- or five-year period to reduce them to nil.

Mr. Laughren: To what?

Hon. Mr. Auld: To reduce the deficits to nil.

Mr. Laughren: Since 80 per cent of the expenditure of a university is on salaries, given inflation and so forth you are really talking about reducing complements are you not?

Hon. Mr. Auld: Possibly, or at least not increasing complement again as they have been for the last seven or eight years. Perhaps they could change complement by at least asking faculty to teach other than their specialty, but within their discipline, instead of hiring other people to do it.

Mr. Laughren: I would sure like to know how you have been so unsuccessful at convincing the universities.

Hon. Mr. Auld: I am reminded that at the end of February I asked all the universities

if they would please tell me what it was that they were not going to be able to do because of the level of grant for this year. So far, I haven't heard from anybody.

Mr. Laughren: They haven't responded?

Hon. Mr. Auld: I am assuming they are going to be able to do all the things.

Mr. Laughren: Do you mean Laurentian didn't tell you that they couldn't be a truly bilingual university?

Hon. Mr. Auld: Not since February.

Mr. Laughren: I will tell you right now.

Mr. Wilson: Mr. Chairman, it is interesting to point out that one of the members of the OCUA in this recent set of hearings put exactly that same question to the universities, pointing out that, notwithstanding any information that came through in November, the Council of Ontario Universities had not been sufficiently specific in his opinion. This was one of the business members of the council. He was very strong in saying they had not demonstrated exactly what the minister had asked for. They were quite insistent two weeks ago that the universities had better get some of this information in. It is just an interesting comment from the OCUA side of the open hearing on that Saturday a couple of weeks ago.

Mr. Stokes: If I may interject, Lakehead University did that last fall. It told you in very specific terms what it was going to be able to do and not be able to do. Did you want them to repeat themselves or regurgitate it in February?

Hon. Mr. Auld: I think if you will cast your mind back to that time, when they found what was the level of the northern grants their situation improved very considerably. Two things happened. One was that the original calculations that they had made and that all the institutions had made, when we gave the global figure, were low, I think with perhaps one exception—Waterloo.

Secondly, when the additional amount of money which I asked the council to set aside for special circumstances was allotted for the northern grants and for Brock, Windsor, Trent and the other southern small universities or new ones, their situation improved. My understanding at the moment is that the biggest single problem and the one that concerns Lakehead the most—certainly as of a week ago when I was there—is the problem of duplication in some of their diploma courses

with Confederation College, which hopefully we will resolve shortly.

Mr. Stokes: Whose fault was that?

Hon. Mr. Auld: History, really. That's true.

Mr. Laughren: The Ontario government. It's nice to hear a minister admit that, though. It's obvious you weren't the minister when the colleges were created. I think that is really incredible that you have all this duplication across the province with the colleges and universities. I am glad you accept that and admit it, because your predecessors wouldn't.

Hon. Mr. Auld: I gave you the answer to the question you asked. Do you want to pass item 2 now?

Mr. Laughren: No. I am just getting started.

Mr. Carruthers: What's the member's solution?

Mr. Laughren: I can tell you that my solution on the bilingual grant thing is to increase it, absolutely and unequivocally. In November, I told you that the bilingual grant had decreased from 5.4 per cent of operating income in 1970-1971 to 4.8 per cent in 1974-1975, and they have never recovered the actual cost of operating a bilingual institution. If there is one single thing at the post-secondary level that the ministry stands condemned for, it is its lack of support for bilingual programmes at Laurentian and at Ottawa.

Hon. Mr. Auld: We have some difference of opinion as to how those were calculated. You can make a pretty good argument that if the bilingual grant stayed at the same level and the operating grants went up, or only increased slightly in relation to the increase in the operating grant, then obviously as an overall percentage it would be less.

Mr. Laughren: Why wouldn't you increase it accordingly?

Hon. Mr. Auld: Let us go back to the history of the bilingual grants which were set up by the government of Canada on a per capita formula basis for each of the provinces. Ontario is, I think, the leading province in the amount that we add out of provincial funds to the federal bilingual grant.

Mr. Laughren: Do you mean on a per capita basis?

Hon. Mr. Auld: We set it up in terms of total dollars and asked the Council on University Affairs to recommend the allotment. Laurentian gets a higher percentage than the Univer-

sity of Ottawa does because of the different situation that they find themselves in. That is on the recommendation of the council, and I think that is a good way to do it. But to say that we are not doing our share in bilingualism is to ignore the fact.

Mr. Laughren: It is not ignoring the fact. If it wasn't a fact, Laurentian and Ottawa wouldn't be telling you that they cannot be a truly bilingual institution. It's as plain as that.

Hon. Mr. Auld: Looking at the figures, I see that in Laurentian's case the provincial grant—which includes some federal money—is six times higher than it would be if it were simply a federal grant. In Ottawa's case it is—

Mr. Carruthers: Six times higher.

Mr. Chairman: Six times higher. They are lucky to live in this province.

Mr. Laughren: Is a man with a name like Osie Villeneuve telling me that Laurentian is lucky to have the size of bilingual grants it has? You should be ashamed of yourself. You are so anglicized it is painful.

Mr. Chairman: I am not talking about that. I am just saying it's a lot of money.

Mr. Laughren: Well, you have been so totally anglicized you have no right to comment on it.

Hon. Mr. Auld: Well, for BIU—to put it in another context—Laurentian was the highest in the province. It was \$128, compared to \$98 at the University of Ottawa.

Mr. Carruthers: That is six times what? When you say six times—

Hon. Mr. Auld: Six times what the per capita per student amount would have been if it were just the federal grants.

Mr. Laughren: I am not too sure what that proves. If you have an inadequate level of support for it to be a truly bilingual institution, what are you trying to prove?

Hon. Mr. Auld: We are proving that we are a lot more generous than the feds are.

Mr. Carruthers: Six times.

Mr. Laughren: Universities are a provincial jurisdiction, keep in mind. The ultimate responsibility is yours.

Mr. Carruthers: They serve the nation, though.

Hon. Mr. Auld: Let us be fair—the feds are putting up 50 per cent of most of the expenditures on the part of the universities.

Mr. Laughren: Right, but the ultimate responsibility for universities is provincial. Therefore, if there is an inadequate level of funding, the ultimate responsibility is yours, not the federal government. I don't know why I am haranguing you on bilingualism, because the government never has had any kind of commitment for bilingualism in Ontario. You don't even offer programmes to the elected members.

I look at Ottawa, for example, and they are looking at a deficit this year alone of \$2,823,000. Do they have unencumbered funds?

Hon. Mr. Auld: I don't know whether we've got this. Have we got the figures here?

Mr. Yen: About \$5 million.

Mr. Laughren: Five million—what is Laurentian's unencumbered funds?

Hon. Mr. Auld: It is \$1.7 million, I am informed; that is as of April 30, 1974.

Mr. Laughren: Well, let's see if I can help you out then. I only have a deficit of \$200,000 for this year. Accumulated deficit at the end of 1974-1975 was \$425,000, so they will have a total deficit by the end of 1975-1976 of \$625,000. Right?

Hon. Mr. Auld: I just remind you—

Mr. Laughren: What are the unencumbered funds?

Mr. Wilson: Looks like \$1.7 million, as of April 30, 1974; and that was when they had a \$200,000 deficit being carried and operated.

Hon. Mr. Auld: Let me remind you—because I think you asked me a question in the House about this last year—that in 1973, I guess it was, the universities predicted a deficit total of \$13 million. At the end of the year, when the smoke cleared away, I think they had one of \$1.2 million, so that their forecasting is not always that accurate.

Mr. Laughren: Don't you think it has been honed up considerably since then?

Hon. Mr. Auld: That is fairly recent.

Mr. Laughren: We know historically what the deficits are, too, so it is not a case of them breaking even. I think virtually every one of these universities is carrying a deficit from last year, and predicting a larger one for this year.

Hon. Mr. Auld: There are all kinds of deficits, you know. There are deficits in cash flow, and in opening, after you have deducted sinking fund.

Mr. Laughren: Sure.

Hon. Mr. Auld: As somebody who used to teach business administration, I am sure you would be aware of that. You should understand that fact.

Mr. Laughren: I certainly do understand it. I understand the problem of paying back deficits too. Maybe I can run that into a computer game for the presidents of the universities.

It just seems to me that by the end of 1975-1976 virtually all the institutions will have used up any accumulated surpluses that might have been there, from either a capital fund or whatever, and that they are going to have to dip into these so-called unencumbered funds that you keep talking about. Are there any universities who do not have unencumbered funds available to apply to deficits?

Hon. Mr. Auld: I don't know that we have any figures since the spring of 1974. In fact I don't think we have, because I was asking about that the other day. We won't be getting their annual statements for—

Mr. Laughren: Fine. How about 1974?

Hon. Mr. Auld: Now 1974, the total of operating plant, endowment in trust, at April 30, 1974, for the 15 universities, was \$105,110,000.

Mr. Laughren: Just a minute now—yes, \$105 million—that was in 1974.

Hon. Mr. Auld: April 30, 1974. About half of that is endowment in trust and the rest is in operating and plant.

Mr. Laughren: So you had \$50 million that was truly unencumbered.

Dr. Parr: It depends upon the nature of the endowment in trust.

Mr. Laughren: The conditions under which it is there.

Hon. Mr. Auld: And that, interestingly enough, had gone up from April 30, 1973, when it was \$99.5 million, and from April 30, 1972, when it was \$94.5 million.

Mr. Laughren: Can you tell me which, if any, institutions have no unencumbered funds in the kitty?

Hon. Mr. Auld: York is the only one. It was in a truly deficit position, which it has reduced from \$4.5 million in 1972 to \$1.5 million in 1974. And OISE, you will be interested to know, had \$365,000.

Mr. Laughren: I had rather not talk about OISE. York has a deficit of \$1.6 million. Is that what your figure is?

Hon. Mr. Auld: It's \$1.528 million. In endowment in trust it showed \$5,096,000 credit but a plant deficit of \$5 million and an operating deficit of \$1.6 million.

Mr. Laughren: You said York is the only one without unencumbered funds?

Hon. Mr. Auld: No, it shows endowment in trust, that category—how unencumbered, I don't know—of \$5 million in the credit side. But it showed a deficit of \$5 million in the plant fund, and a deficit of \$1.6 million in their operating.

Mr. Laughren: They are on their own now, right?

Hon. Mr. Auld: We will get their statement in the fall.

Mr. Laughren: What about Laurentian?

Hon. Mr. Auld: April 30, 1974, a total of \$1,686,000, and their endowment in trust was \$28,000. Their plant fund showed a credit of \$1,900,000 and they are operating a deficit of \$273,000.

Mr. Laughren: What was that \$1.6 million?

Hon. Mr. Auld: That is the total.

Mr. Laughren: That is the net accumulated unencumbered funds. Is there any reason you are aware of that they cannot use these to meet operating deficits?

Hon. Mr. Auld: Guessing, I would say that if their endowment is encumbered and is specifically—

Mr. Laughren: No, aside from that.

Hon. Mr. Auld: But they could still borrow it—lend it from the fund to themselves and pay whatever rate of interest is fair to the fund. Dan reminds me that even if it is unencumbered it may have been solicited on a basis of being for a specific thing. It will be considered a breach of faith if you use it for something else.

Mr. Laughren: But do you know to what extent that applies to those areas?

Hon. Mr. Auld: It is not shown in the financial statements, in most cases.

Mr. Laughren: So it could be that the universities could use these surpluses or accumulated funds to cope with operating deficits, right?

Hon. Mr. Auld: Provided that they could see a way, as I have said so many times, to—

Mr. Laughren: Curtail.

Hon. Mr. Auld: —to recoup after a period of severe belt-tightening.

Mr. Laughren: What happens when and if the moratorium is relaxed even more and capital expansions occur?

Hon. Mr. Auld: My feeling is that if there is additional capital the moratorium will not be relaxed for expansion except under unusual circumstances. It would be used for replacing very high operating cost structures. There are some of those, particularly in some of the older institutions. That is a charge against their operating funds—maintenance—and if we can assist them with capital replacements to reduce their operating costs this would be a help for them.

Mr. Laughren: What happens if the University of Toronto has to replace a building that simply must be replaced? What is the arrangement between them and the government in terms of cost of, say, a \$3 million building? If you give them permission to build a new building, to knock one down and put another one up, to what extent is that grant covered solely from the Ministry of Government Services or whatever, and to what extent must that come out of a reserve fund established by them?

Hon. Mr. Auld: Let's take an example. If it were an old building, say, at the edge of the campus and they had land within their campus which they presently owned and they decided to sell the building and the land, we would probably say, "You are getting \$X for that. We approve a cost of so much a square foot for what you require. We will pay 100 per cent of the cost based on that standard of construction—that cost per square foot less your capital recovery."

If the university were tearing something down and building another building on the same place, I think we would say, "You can build to a certain standard and the University Capital Aid Corp. will buy the debentures to a maximum of so much. If you want to build to a higher standard then you have to pick up the difference."

Mr. Laughren: Right. But does any of that cost come out of the operating or accumulated funds of the university?

Hon. Mr. Auld: No.

Mr. Laughren: Do you have any idea how much land the University of Toronto owns?

Hon. Mr. Auld: Putting it in general terms I would say a lot, in terms of value.

Mr. Deacon: It is of no use unless they can sell it, as far as value goes.

Hon. Mr. Auld: No, but as they have moved over west of Spadina they paid a fair amount for it. Didn't they buy Erindale when there was a fuss about what they were buying some years ago? I guess they didn't buy it. It was going to be very expensive and I guess they bought elsewhere, did they? I don't know. It is no doubt in their report and we could find out.

Mr. Chairman: Are you finished?

Mr. Laughren: Yes. Go ahead.

Mr. Stokes: I want to get into Lakehead University in particular. There has been a move afoot, spearheaded by the Thunder Bay Chamber of Commerce, to develop at Lakehead University a research capability. It is obvious that we need something of this nature in northwestern Ontario, based primarily on the things that we do best in northwestern Ontario, since we are a resource-based economy.

There is some research being done at the Ontario Research Foundation at the present time. I spent a day out there with the president, Dr. Stadelman, and went over most of the programmes that they are doing there that could be beneficial to us in the northwest. I discussed with him a lot of the other things that I thought they could be undertaking that would be relevant to us and could assist us.

I was thinking in terms of alternate methods of generating electric power, such as wind energy, using some of the northern communities that need power so badly and using those situations as a sort of pilot project to see whether we could develop alternate sources of energy in the north. I was thinking of greater utilization of barks and other things associated with forestry that are wasted at the present time and things of this nature to develop new techniques and new methods of silviculture. I am not suggesting that we duplicate the things that are going on under the aegis of the Ministry of Natural Resources out here at Maple but a good deal of it is being done in Maple where the soil conditions and the climatic conditions are so much different than what they are in the field.

It is the feeling of everybody who is at all concerned about the future of northwestern Ontario, particularly since we are getting much closer to total utilization of the allowable cut in the forest industry, that we have to come up with new techniques in order to provide adequate wood fibre for future generations. It was suggested that we come up with some

research capability associated with Lakehead University. Dr. Grace has been assisting them in a technical way in suggesting things they should do. I think he has been associated with the National Research Council and other bodies that are concerned about applied and pure research. I think if such a project were to get underway this would be the ministry in concert with perhaps the Ministry of Natural Resources and the Ministry of Industry and Tourism.

Have you studied the brief that was presented to cabinet by the Chamber of Commerce? I am sure that it has the blessing of Lakehead University. Have you been in touch with these people? Are you seriously considering something that is needed so badly in north-western Ontario, and obviously Lakehead University would be that place?

Hon. Mr. Auld: The only research that we support in this ministry is research on things related to post-secondary education. Generally speaking, applied or practical and pure research have been funded by the federal government and by private industry.

I understand that that specific brief was referred to the Resources Development secretariat where they are taking a look at it. There have been no approaches to us from Lakehead about it, because I think they are aware that we don't put up the money for research in fields other than those where we want it done and have it done for ourselves. Dr. Parr points out, the normal BIU formula, as originally put together, has a modest part of it for salaries of staff who are involved in research as well as in teaching.

Mr. Stokes: I probably should be raising this with another minister, possibly the Provincial Secretary for Resources Development (Mr. Grossman), but since this is the ministry that is primarily concerned about education and since universities are doing most of our research in Canada today, I would ask that you consider what was said by a task force set up by the federal government. They indicated that we were going to have to do far more R&D in Canada if we were going to find our place in the world in the overall scheme of things. They felt that Canadians, and Canadian institutions and governments at all levels were going to have to play a much more active role than ever before.

When you meet with your counterparts at national seminars, whether at the ministerial level or the deputy minister level, do you not discuss these things to see if there are ways and means of using the existing facilities and the expertise we find at these institutions?

Hon. Mr. Auld: Yes. As a matter of fact, one of the things that is discussed quite frequently—and this again has to do with knowing what is going on within the institutions and the kind of support that universities are getting from many fields. We often discuss how important it is that the federal government particularly let us know what they are doing in the field of research with various institutions because this can be a very important factor in university financing. If you are trying as is the Council on University Affairs, for instance, to look at the needs of Lakehead, compared to Laurentian, Western, Queen's or whatever, it is kind of important to know—in fact for the university administrations it is kind of important to know—what numbers of dollars are going into their institutions in research in various faculties and so on, so that they can allot their own funds.

I think some progress is being made in that field but it is still one that we talk about in the council of education ministers and one that we talk of within the ministry. I think the point I want to make is that it seems to me to be more important that we take the funds we have and allot additional funds to Lakehead as a northern grant, recognizing some of the basic problems they have in the educational field—in student-faculty ratio, for instance, and in some of their programmes that are extension programmes run a long way away from the headquarters at greater expense—and put in what funds we can in that sense, rather than getting into a field, such as, the applied research field, which is not directly our responsibility. If the province is going to be involved in it, those ministries that have a direct interest in forestry could do that.

Mr. Stokes: Okay, I don't want to prolong the thing, but I would like to get a sort of a commitment from you that whenever the occasion presents itself that you will be a strong advocate for two things.

In your discussions with the federal government, because you do get certain funds from them, I hope you will stress the fact that there is a need for a research capability in the northern part of the province where you are researching ways and means to effect greater utilization and less waste of something that is our livelihood in northwestern Ontario. The other thing that I would like you to do, if I may be so presumptuous—

Hon. Mr. Auld: I might say to the hon. member, I would like to see Great Lakes and Abitibi and some of the others involved in that same field. I wouldn't be surprised if they get involved in it.

Mr. Stokes: They are donating some land.

Hon. Mr. Auld: It is for forestry purposes at Lakehead.

Mr. Stokes: Now, this is what I would like you to do. When you sit down with your cabinet colleagues, as you must do from time to time to see how you can do things better, or you can be more efficient, to see how you can co-ordinate things—

Mr. Laughren: They haven't done that for years.

Mr. Stokes: —I would like you to suggest to the Minister of Natural Resources (Mr. Bernier) and to the Minister of Industry and Tourism (Mr. Bennett) that it's much more valid to do the research under conditions that you are studying.

Let me give you a for instance. We think we are in the vanguard of good silviculture and reforestation programmes. We think we don't take a back seat to anybody as far as our programmes. But even if that is the case, I can show you certain species that are vital to our economy in northwestern Ontario where we give nature a helping hand, where we are only 30 per cent successful, where 70 per cent of it goes to waste. This isn't good use of money.

If we can spend some money on this kind of research, something that is meaningful and something that we desperately need in the north, that is a good way to spend money. I hope that when you do talk about these things—and I'm sure you must talk about them, because I talk to people in the ministry, I talk to people in industry and they are very serious problems, and they are something that we are going to have to come to grips with—I hope that you will lend your voice, even if it is just your voice, if you don't have any bucks, you know, scratch backs wherever you can in order to see that this kind of thing gets done.

I wish you had the money in here; it would be a lot easier to deal with I am sure I could convince you if you had the money. But I'm not going to go on at any great length, since you don't have the dollars. However, I hope that we can enlist your aid whenever the opportunity presents itself; that you will speak out for this kind of research and development capability in the northwest associated with Lakehead University.

Hon. Mr. Auld: I am very interested and very pleased with what Lakehead has done in forestry. As I said a while ago, they have specialized and they have achieved an enviable reputation in a pretty short time.

Mr. Stokes: Well, we have had people in that faculty who are on the right track. They are saying all of the right things and they are doing the right things within their limited capabilities. They could do much more if they had the financial resources to do it.

Hon. Mr. Auld: I am all in favour of them progressing.

Mr. Stokes: Some of them who are in there now were people who were once in industry, and decided that they owed something to society. Now they are in the teaching of people to be better foresters, to husband and to manage our forest resources properly. If they had the dollars there would be no limit to the kinds of things that they could do.

Mr. Chairman: Mr. Spence.

Mr. J. P. Spence (Kent): Mr. Minister, I would like to ask you a question in regard to drainage of certain areas, or building dams and such things as that. I was on a committee where a naturalist was opposed to draining a certain area. Of course, we contacted a number of universities to put a price in and to see if they would complete a study and write a report. They chose a certain university to make this study and the university agreed to it and brought in a good report. Does this money that you pay that university go to the credit of the university, or does that money go to the credit of those who carried out the study and report?

Hon. Mr. Auld: It might go either way. It would depend on the terms of the contract with the faculty involved, their contract with the university. It would depend on whether you approach the university and ask them to put people on the task and pay the university, or whether you might pay the faculty or just individual members of the faculty. There is a great variation.

That is why I mentioned a few minutes ago that it is rather important to the administrations in the universities, and important to us in finding out just what kind of total support and what kind of a financial picture the institution has, to know where these research funds, or really—what is the phrase, Jim?—consulting fees, go. There are groups within universities—and it is quite legitimate—who have set up companies and in their spare time do what is generally called moonlighting, use that expertise in whatever field—sociology, engineering—

Mr. Spence: It might be either then, Mr. Minister?

Hon. Mr. Auld: It could be.

Mr. Laughren: Is that the land drainage report?

Mr. Spence: That is the land drainage report.

Mr. Laughren: They gave that money to charity.

Mr. Chairman: Shall item 2 of vote 2502 carry?

Mr. R. S. Smith (Nipissing): I would like to ask the minister a few questions in regard to the select committee on economic and cultural nationalism, and the questions that arose out of the report of that committee, specifically in regard to the non-Canadian staff members of our universities. That report made a number of recommendations. What position has been taken by the ministry with regard to the recommendations?

Hon. Mr. Auld: The preliminary summary data we have from 1971-1972 to 1973-1974, which is three years, indicates that the percentage of non-Canadians in the new appointments category has begun to drop in favour of Canadians. We have recently had voluntary agreement from the Ontario universities for Statistics Canada to make staff citizenship and salary information available on a sort of group basis, so you are not showing individuals, so that we can actually assess. We expect to have that in about three weeks.

Most recently, the Canadian Association of University Teachers have moderated their position. You may recall that about three years ago they said there should be no preference for Canadians. Now they have indicated—I think it was a couple of weeks ago at their recent meeting—that they feel there should be thorough advertising—

Mr. R. S. Smith: Yes, I saw that.

Hon. Mr. Auld: —and that you have to prove you can't find a Canadian qualified for the post before a non-Canadian is hired. I think there has been a changed attitude and probably an awareness that there are a lot more qualified Canadians than people thought a while ago. A few years have gone by and there has been a great post-graduate development in terms of additional training degrees for Canadians. But I can't, unfortunately, give you any more definitive figures because the information I have is that it will be three or four weeks before we get the figures. I suppose they would show up to the end of the current 1974-1975 year, because the academic contract year ends in June or July.

Mr. R. S. Smith: The committee went through a process of trying to obtain these

figures, and there was real disruption between the Ontario universities and the committee as to the figures supplied. Some of these were lacking in depth. Some universities gave us the runaround for months. Others really never did provide some of the figures the committee needed. But the committee was able to put together enough statistics that it could come to certain conclusions without going any further with the statistics. One of the recommendations was that the Ministry of Colleges and Universities continually monitor the situation to see that there was an improvement in the situation and that the goal of the committee, insofar as percentages was concerned, be reached over a five-year period.

Hon. Mr. Auld: I believe the goal of the committee—correct me if I'm wrong—was something like—

Mr. R. S. Smith: Eighty-five per cent.

Hon. Mr. Auld: It was 85 or 90 per cent from 60 or 65 per cent.

Mr. R. S. Smith: Yes.

Hon. Mr. Auld: It seems to me from the last figures I saw that we were pretty close. These were Canada-wide figures, of course. We were over 70. Then, as Dr. Parr reminds me, it slowed a bit because there hadn't been as much of a turnover in staff for a while.

Mr. R. S. Smith: Is the minister prepared, if we don't reach these goals, to take other steps insofar as the Ontario group is concerned? You are talking about the Canadian goals. As I understand it and as I recall, the percentage of Canadians among the staffs of universities across Canada was higher than it was in the Province of Ontario. I suppose this was specifically so because it was very high in the Province of Quebec where there is a language difference, in some of the universities at least. Their percentage was a fair degree higher than the rest of Canada. But Ontario was not among the leaders in Canada.

Hon. Mr. Auld: I think one of the reasons was the very rapid expansion and the lack at that time in the late fifties of post-graduate training in the past to produce the MAs and PhDs that were in demand.

Mr. R. S. Smith: In the early Sixties when we had the large growth in the universities we just didn't have the people and we had to bring them in from outside. This has gradually changed now. The fact of the matter is that another one of the recommendations of the committee was that the field of graduate

studies be broadened so that we can provide more of our own—

Hon. Mr. Auld: That has been done.

Mr. R. S. Smith: —in certain specific areas where we had been lacking. I think one of the areas of most concern was London university which was the most controversial at the time and where something like 80 or 90 per cent of the staff were non-Canadian. There were two Canadians dropped from that section, I think, on the humanities subjects or social sciences.

Dr. Parr: It may have been sociology.

Mr. R. S. Smith: Sociology, you are right. In northwestern Ontario at the university that Mr. Stokes was just talking about, the sociology department was almost totally non-Canadian. Although they lived in an area where we have some of our greatest sociological problems—some of the problems with the Indian population—as models they were using the sociological problems of the United States to teach the students, which was just almost ridiculous in Thunder Bay.

This is one area of real concern that was felt by the committee. I'd like to point out that I see here now the recommendation that over subsequent years 80 per cent of new appointments be Canadian citizens at the time of appointment and 70 per cent of the appointments be from among those who obtained most of or all of their graduate training at Canadian universities. From the information that's been provided to you so far, are the universities meeting that standard?

Hon. Mr. Auld: Yes. At a guess, I would say that if they aren't, they're very close to it and they're certainly moving in that direction. I think that a great deal has happened in just the last couple of years in terms of attitude of the faculty associations, both the Canadian and the Ontario ones.

Mr. R. S. Smith: There's no doubt the faculties have changed, but have the colleges and universities changed?

Hon. Mr. Auld: I think they have, because if you recall at the time of the select committee, I wasn't following it that closely at the time, of course, but my recollection of the press coverage of your hearings was that the faculty associations themselves were the ones who were very strongly opposed to any kind of quotas, and very much in favour of no borders and complete interchangeability of views from different countries being available

to the students in this country, and that sort of thing.

I think that attitude has changed, and in looking at the faculty press, it seems there has been strong pressure on the part of the faculty association—the Ontario one, OCUFA—to require that the institutions advertise in all the Canadian journals if there are vacancies, and that they get away from the old-boy league, where because the dean is from some place in the States or in Europe all the people he appoints are people who come from the institution where he trained, and that sort of thing.

Mr. R. S. Smith: Yes, I understand, but our conversation is pretty general.

Hon. Mr. Auld: Yes, as I say, we'll have the detailed information incorporating the 1974-1975 period—that's the year that's just finishing—in about three weeks.

Mr. R. S. Smith: But those will be the appointments for this fall you're talking about.

Hon. Mr. Auld: No, for the year that just finished.

Dr. Parr: For the 1974-1975 year.

Mr. R. S. Smith: Why is it taking so long to get the appointments from last year? Why has it taken a whole year? This is what our committee fought with those guys about. Somebody could get on the telephone and get it—

Hon. Mr. Auld: The agreement that we have—while it will hopefully be improved, it is still quite an improvement over the past—comes from Statistics Canada. They gather their own data in their own processes, and then they collate it and what not and it takes a little while.

Mr. R. S. Smith: That's almost the same old garbage that the committee got.

Hon. Mr. Auld: Yes, but this time you're getting the garbage and the figures.

Mr. R. S. Smith: Yes, yes. But they're putting the garbage into the computer, and you know what they say; you put garbage in, you get garbage out.

Hon. Mr. Auld: I was referring to the garbage as the explanation for the length of time.

Mr. R. S. Smith: I was referring to the information you get.

Hon. Mr. Auld: Don't prejudge it. Wait until we see what we get.

Mr. R. S. Smith: I know, but if it's going to take a whole year to get it, or almost a year, it becomes almost impossible to deal with the situation. Really, you're talking about the appointments in how many universities in the province?

Hon. Mr. Auld: There are 15.

Mr. R. S. Smith: How many new appointments in all those universities?

Hon. Mr. Auld: I am told that the turnover is a fraction of one per cent.

Mr. R. S. Smith: And it takes all that time to get that fraction?

Hon. Mr. Auld: If the faculty-student ratio is one in 14, that's about 10,000 faculty. I might be able to give it to you on one sheet of paper.

Mr. R. S. Smith: Yes, that's what I mean. Why does it take a year to get what you might get on one sheet of paper? You might be talking about 100 people or 125 people. If it's going to take a whole year to get that amount of information on 100 or 125 people—and these are supposedly from the elite in society, the university—

Hon. Mr. Auld: Supposing we got it for the end of August, what do we do with it then?

Mr. R. S. Smith: At least you would have a chance to go over it much more quickly, and compare it with what has gone on in the past, and you will know whether they are living up to the standards that have—

Hon. Mr. Auld: We will know a little sooner, yes.

Mr. R. S. Smith: Yes, you will know nine months sooner. And you can step in and you can say to the universities, "You are not living up to these standards, so we are going to have to change the rules of the game."

Hon. Mr. Auld: You mean we are going to have to set some rules.

Mr. R. S. Smith: Pardon?

Hon. Mr. Auld: Philosophically, it depends on how much you want the government to run the university. Really, that's what we are talking about.

Mr. R. S. Smith: No, no, we are not. If you are talking philosophically—or pedagogically—you are talking about how much Canadian content we want in some of the courses that our children are getting. They are not getting it out of these people who are coming here,

lock, stock and barrel, and taking total control over some segments of our universities, such as the sociology section in London, and such as the one in Thunder Bay.

Hon. Mr. Auld: I am not disagreeing with you, but I am saying that at the moment there are no rules. There are desires. If we are going to set up rules, then we are going to start controlling universities more than we presently do.

Mr. R. S. Smith: That's right. The committee recommended, and it was an all-party committee, that if they don't put their own house in order, then the ministry will have to step in and set guidelines for them.

I am not one to say that we should step in and set those guidelines until they have proven that they are not going to meet the guidelines, but I would like to know where they are going in meeting the guidelines and I can't find out. Because you don't have statistics from last August. They should have been available within a month.

Hon. Mr. Auld: Well, if things had happened differently we might have been doing our estimates about the time we got the figures, so I could have given you the answers and we could see whether—

An hon. member: That's organization.

Hon. Mr. Auld: —we had to. No, it just shows you that we are so efficient in most things.

We are really trying to speed up Statistics Canada, but I think that we have accomplished something because of your report.

Mr. R. S. Smith: It is beyond me. Why does it have to go to Statistics Canada? Why can Colleges and Universities not do it—they have a whole staff up there?

Hon. Mr. Auld: There is a great argument about confidentiality of people's personal data.

Mr. R. S. Smith: Oh, that's a lot of garbage. If they want to come here and make their living here, they can tell us whether they are citizens or not. And if they don't want to admit whether they are citizens or not, then we should kick them out of the country, as far as I am concerned. What is the matter with those people? Who do they think they are?

Hon. Mr. Auld: You will have to speak to your federal near-neighbour about kicking them out of the country.

Mr. R. S. Smith: I am not suggesting that they don't have the right to have whatever

citizenship they want to have, but surely if they are going to live in this country they rightfully should let us know what their intentions are towards citizenship. As a citizen of Canada, not as a person who lives in Ontario, but as a citizen of Canada, I think that is something that should be common knowledge—what each person's citizenship is. If somebody wants to hide his citizenship he must have some reason to want to hide it, and that I can't understand. It's beyond me why people would not want to say "I am an American citizen," or "I am a Russian citizen," or no matter what. I just can't comprehend why people want to take that position other than the fact they wanted to use that excuse as a means to stop the committee from its investigations to start with and, second, to make it much more difficult for you as minister, and your people, to decide whether universities actually are moving ahead in this area.

If you could explain to me why a person would want to live in Canada and not say what his citizenship is, then I will accept any argument you want to give me—if you can convince me of that.

Mr. Chairman: Mr. Deacon.

Mr. Deacon: Mr. Chairman, I think what my colleague has said is that we felt that by publication of the figures there would be almost a self-regulation of the whole situation. As he said, we have nothing against these being people who are non-Canadians. As a matter of fact I think we should be encouraging non-Canadians to come in to some degree, but not to a dominating level in any department in the universities.

There is no question that scholarship is not something that is national or goes by national boundaries. It's a very international thing. But at the same time, when we examine other universities all over the world, isn't it correct to say, Dick, that we have found that this country is unique in its situation and domination by non-Canadians?

Mr. R. S. Smith: We are the only country in the world with that situation.

Mr. Deacon: Other countries, such as France, the United States and Britain have much more subtle means of ensuring control is in the hands of their own nationals.

That's why I don't think you should wait for Statistics Canada. I think you should make your own inquiries and say that you would like this information as part of the publication of the situation that is recommended by the select committee. We are not telling you the level has got to be 80 per cent, 70 per cent or

whatever, I think public opinion will set that level in time.

Hon. Mr. Auld: I think the work of the committee had started that process even before you reported.

Mr. Deacon: But the unfortunate thing is that we have not had publication of the information since. I think that is something that your ministry has a responsibility for, and I hope you will move on it.

There are some other points I wanted to bring out. One of the points the undergraduates have mentioned is that they feel the universities would do well to cut down on what they feel is an emphasis on high-cost postgraduate work, meaning that undergraduate work has suffered. I was wondering about the opinion and the philosophy of the ministry toward that situation. Or do you just have a completely hands-off approach regarding recommendations and policy?

Hon. Mr. Auld: Well, there was an embargo—in 1972?

Dr. Parr: In 1971.

Hon. Mr. Auld: —in 1971 on additional postgraduate courses, which of course have a much higher support level than undergraduate courses in terms of BIUs. On the recommendation of the Council on University Affairs, the embargo has been lifted in certain disciplines when it is shown to their satisfaction there is a real need.

Mr. Deacon: So in effect you are carrying on according to the recommendations of the council.

Hon. Mr. Auld: Of the council.

Mr. Deacon: Which makes sense.

Hon. Mr. Auld: It is possible, looking ahead, that the council might recommend the phasing out of some courses where there may be duplication.

Mr. Deacon: I certainly agree with the principle of working through the council on that.

The other thing I wanted to point out was that, contrary to the member for Nickel Belt—

Hon. Mr. Auld: Actually I think members of the Committee of Ontario Universities are the ones who approach the council and request that certain postgraduate courses be run.

Mr. Deacon: They are working, anyway, on trying to co-ordinate and eliminate overlap and giving the grants to those who seem to be

doing the foremost work in it, whatever field it would be.

One thing I wanted to ask is, what is the philosophy behind tying down the universities so tightly in their budgeting? It's similar to the ceilings in schools. It's a philosophy I find hard to reconcile with getting good accountability from any organization that is supposed to be autonomous.

It seems to me you should leave them freedom to set fees according to the way they feel they should be setting them and let them be accountable properly to their community, and to the province in effect, on what value they are giving. I can't see how we can be making all these regulations and restrictions about the way they are operating and still have them operate sensibly.

What if they do move the fees up or down according to what they feel is a fair basis? Isn't that something, again, where the community will mount pressure if there is an evaluation of what is happening?

Hon. Mr. Auld: Except, of course, about 40 per cent of any fee increase comes out of the provincial pocket anyway through the student loan programme.

Mr. Deacon: I will come later on to how I feel you have been handling that.

Hon. Mr. Auld: The COPSE report suggested, really, something along the lines you are suggesting. In other words, a greater portion of the cost be in the form of a fee and a greater portion of the provincial support go with the student rather than the institution once the student gets there. The student would be in effect looking at the marketplace and the institutions would be competing.

Mr. Deacon: There could be sources other than the fees and government grants for funding different specialty areas. Maybe there are ways in which the universities could find other sources which they could develop, but at the same time there are very few people—I don't know what percentage of cost of educating a university student now comes from the student compared to 20 years ago.

Hon. Mr. Auld: I would say this year it would be no more than 15 per cent. Twenty years ago it was probably 50 per cent.

Mr. Deacon: It was how much?

Hon. Mr. Auld: Have you any idea, Jim?

Dr. Parr: About 16 per cent today is represented by the student fee.

Mr. Deacon: Would you have any idea what it would have been in 1950 or 1945?

Dr. Parr: Not offhand but we will try to find out for you.

Hon. Mr. Auld: Provincial support—what did I say?—was 25.4 and the total cost today is \$650. It must have been 75 per cent.

Mr. Deacon: I would be interested in how many years of a person's salary it requires today to pay back loans, for example in medicine, engineering or arts. Arts wouldn't do as well as some of the others, but it seems to me there is some basis for there being some relationship between how long it took to pay back the loans in 1950 and today. Hopefully it would be less today with the assistance programmes we have.

At the same time there are an awful lot of people, including my colleague from Etobicoke and a whole lot of others, who had no backing whatsoever to get into university and succeeded well. I feel that in so many of these courses it doesn't hurt to have to make an effort. How many hours work, for example, does a student have to carry out in the summer? How many months of work to pay for what percentage of his fee compared with what he had to do in the old days?

I don't see it has ever hurt us to have to earn our way all along. For that reason I have never felt it is a bad thing to have universities free to charge. If they are going to be providing a better product and a student says: "I want to work harder to go to that university and get the benefit of that better quality product," let the university charge for it if they want to.

Hon. Mr. Auld: I suppose when we get into that last vote, we will have further discussion on this subject.

Mr. Deacon: I am thinking of taking it outside the student assistance programme. I am taking the point of view of the philosophy as to the autonomy we should leave with the universities to run their own affairs. I can't feel it's good sense, to get the best performance out of any institution, to constrict them in the many ways you are now.

Hon. Mr. Auld: Yet if you want to have accessibility—economic accessibility—I think there has to be provincial support which goes one way or the other; it's a lot of public money. It goes either with the student or it goes to the university; or it is divided between the two, which is the way we are at the moment. I think if you were to say the uni-

versity can charge any fee it wants, it is not hard to speculate we would be in the position of having a student assistance programme which would be far more costly than the present one. It would be because there was not sufficient competition in the marketplace for courses for students and somebody has a monopoly and shoves the price up.

Mr. Deacon: What's the actual cost, to you, of a student loan programme?

Hon. Mr. Auld: Without administration?

Mr. Deacon: I mean if you gave the administration to the students' administrative council, where maybe it could best be done instead of—

Hon. Mr. Auld: I am not sure I would give it to the one here; in light of how they have been advertising the programme—

Mr. Deacon: It's up to the students to elect responsible bodies; or those they consider responsible.

Hon. Mr. Auld: On the student assistance programme, the cost to the province is \$46.55 million.

Mr. Deacon: That's right, that is the actual; but some of that is loan.

Hon. Mr. Auld: No, that's the provincial part.

Mr. Deacon: Okay.

Hon. Mr. Auld: The federal loan would be another \$60 million.

Mr. Deacon: So that's about \$60 million; of which yours is \$45 million or \$50 million for—

Hon. Mr. Auld: So it's about \$100 million in total.

Mr. Deacon: Right, and what you are saying is that is tied to the actual tuition fee at present, but it doesn't need to be.

Hon. Mr. Auld: Put it the other way; the grant which comes through the province, roughly 50-50 provincial and federal, to the university is about 85 per cent of the total cost—I have lost myself—it is \$568 million in total.

Mr. Deacon: Total cost, right.

Hon. Mr. Auld: On top of that there is another \$45 million.

Mr. Deacon: In grants, right.

Hon. Mr. Auld: Which is almost another five per cent, isn't it?

Mr. Deacon: Right.

Hon. Mr. Auld: So the taxpayers are picking up about 90 per cent when the smoke clears away; and how that money goes through different hands is what we are really talking about.

Mr. Deacon: I suppose what bothers me is if they were adult people and the public had the information, if they were doing the budgeting in the open, which they should be doing, I think then there would be pressure from the public if they felt universities were setting tuition fees too high in the light of the assistance that comes from the province and other sources of funds; or if they were being wasteful in their programmes.

I think there are a lot of ways of doing it, other than treating them in effect as children, as we are doing by these constraints, these handcuffs, these bindings we put on them. That's the point I was trying to make.

Hon. Mr. Auld: I don't know that the best possible thing is a university which is competitively very successful and turns out to have a student body of 50,000. I think there is something to be said for smaller institutions that are a little more—

Mr. Deacon: There is no question about that.

Hon. Mr. Auld: Where you are more likely to know a few people.

Mr. Deacon: But that is something that's in the allocation of the funds to begin with. A grant can help to make it easier for the smaller university to have lower costs, lower—

Hon. Mr. Auld: But if you are leaving it up to competition with the student going where he wants to go whatever the fees, you are still going to have a public support programme to assist him in paying for his education. You are not going to be able to really stop that kind of thing.

Mr. Deacon: Your universities have got to attract students.

Hon. Mr. Auld: Well—

Mr. Deacon: Basic sense tells us that if they are more open in their budgeting and the universities have to be accountable to the public, I feel as if the universities will perform just as well as we presume ourselves to be capable of performing here in the Legislature; or as you do in the ministry.

What about the evaluation of students? The programme which you dropped was carried out for a while. It was an Ontario programme of evaluating high school students for the universities, so they had an idea of what standard has been reached by those students before they entered courses. And that was—

Hon. Mr. Auld: SACU?

Dr. Parr: You mean SACU?

Mr. Deacon: It was our own; it wasn't an American system.

Hon. Mr. Auld: No, this is one that was done in the province between ourselves and the Ministry of Education. They put in a couple of million dollars.

Mr. Deacon: And it was dropped because of the cost of \$11 per student for doing it.

Hon. Mr. Auld: That's the one. When the departmental examinations were dropped, the province funded, through University Affairs and through Education, to the tune of a couple of million dollars, for two or three years, the setting up of sort of admission tests. As a matter of fact, there is \$3,500 in here someplace for it. We handed the thing over to the universities and for a while, they were administering the tests and charging. I think they picked up the costs of the tests for a couple of years. Then they started making a charge and then gradually dropped it.

Mr. Deacon: The universities said the students just weren't able to pay it and they didn't feel they could add it to their budget. When you look at the facts, you are paying roughly 90 per cent or more of the costs of education of young students in universities. When you think of the extra costs coming into an operation at the university because of this discrepancy in standards, then it's time to bring up the matter of evaluating it. I say that maybe it would pay us to do this.

Hon. Mr. Auld: Not only did they drop the tests but they even dropped the requirements for English.

Mr. Deacon: Was that due to their anxiety to get more BIU credits?

Dr. Parr: There is something of a myth, Mr. Chairman, with respect to getting more BIUs because as soon as they got 13.5 more students they would hire another member of staff. It's not a profit-making venture. While it's often said that universities go out to get more students to get more revenue they immediately

spend the increased revenue they get. The hunt for students is something of a myth.

Mr. Deacon: I've had a hard time figuring out how we're going to get back to solving the universities' problem of having so many different standards that they just don't know where they're at, with the credits the kids come from high school with and the cost of the extra courses that are required by the universities to bring the kids up to their standards.

Hon. Mr. Auld: We've got a study that we've just started ourselves in education and the Council on University Affairs is taking a look at high school standards, university admission standards and that whole picture. I'm hopeful that something is going to come out of that.

Mr. Deacon: Would you have something in a year's time on that?

Hon. Mr. Auld: I think so. I think we'll have something a year from now. We started it what, two months ago?

Dr. Parr: We're just about to have our first meeting.

Mr. Chairman: Do you have one short question, Mr. Spence?

Mr. Deacon: Do you want to finish off?

Mr. Spence: If I understand you rightly, the grants are 90 per cent of the cost of education to university students. Is that right?

Hon. Mr. Auld: Yes.

Mr. Spence: I hear from time to time that there are quite a number of students from other countries attending our universities. Could the minister inform me how many?

Hon. Mr. Auld: Off the top of my head, without looking it up it's about 85 per cent Canadian students, 10 per cent landed immigrants—who are treated in the same way—and about five per cent on student visas.

Mr. Spence: And do other countries help contribute to the education of these students from other countries?

Hon. Mr. Auld: They may do, but they would do it through the student, not directly to us.

Mr. Spence: Oh, I see.

Hon. Mr. Auld: They may give bursaries or some sort of grants, that kind of thing. Interestingly enough, for Canada, I think the figure is about 5,000 foreign students—US primarily

—come to Canada and about 10,000 Canadian students go to other countries, mainly the US.

Mr. Spence: And do you pay some of their tuition fees?

Hon. Mr. Auld: No. The only time we do under the student award programme is for certain courses that are not available in Canada

or not available in Ontario. Then there may be some support.

Mr. Chairman: Do you want to ask more questions, Mr. Deacon?

Mr. Deacon: I can carry on tomorrow.

The committee adjourned at 10:30 o'clock, p.m.

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Ontario



Legislature of Ontario Debates

ESTIMATES, MINISTRY OF COLLEGES AND UNIVERSITIES

Standing Social Development Committee *57*

Chairman: Mr. R. G. Hodgson

OFFICIAL REPORT — DAILY EDITION

Fifth Session of the Twenty-Ninth Legislature

Tuesday, May 27, 1975

Afternoon Session

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

THE QUEEN'S PRINTER
PARLIAMENT BUILDINGS, TORONTO
1975



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Daily index of proceedings appears at the back of this issue. Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff (Phone: 965-2159).

LEGISLATIVE ASSEMBLY OF ONTARIO

TUESDAY, MAY 27, 1975

The committee met at 4:15 o'clock, p.m.

ESTIMATES, MINISTRY OF COLLEGES AND UNIVERSITIES

(continued)

On vote 2502:

Mr. Chairman: Mr. Deacon, do you want to start?

Mr. D. M. Deacon (York Centre): You gave some figures at the end about the number of landed immigrants and foreign students admitted. Isn't there a percentage which is a guideline? I think we talked about that in a question in the House.

Hon. J. A. C. Auld: (Minister of Colleges and Universities): I guess some institutions may have set their own guidelines. There is none set by the ministry nor really by the government of Canada. Conversely, I suppose you could say the policy of the government of Canada must be that there shouldn't be restrictions because to my knowledge there is no limit to the number of student visas that can be granted, although I understand the minister has been looking at this. I know I've had one discussion with him about it because we find it's really an inconvenience particularly if this happens in the community colleges.

People will apply for admission by mail and probably send part or all of the fee. Once they have been accepted, apparently they automatically obtain a student visa and then they arrive. Sometimes they arrive at the college and sometimes they don't; or they may arrive at the college and then disappear. It's been used in some instances as sort of a back door to get into the country.

Mr. Deacon: The point I'm concerned about is the places in courses which are very difficult for our own students to get into and which are taken by foreign students. If the percentage is controlled—for example, in medicine, I understand there is a very high number of foreign students and they are very highly motivated. They are hard workers and they know very well how to repeat information given to them but they do have difficulty when it comes to

communication once they're actually dealing with patients. I was wondering what the situation is with regard to that. Is there any sort of guideline we should be indicating to the universities in this matter to ensure that our own people do have doctors who can practise and deal with patients?

Hon. Mr. Auld: I think the figure for 1973-1974 shows about 85 per cent of the students in Ontario medical schools as Canadian citizens; another 12 per cent are landed immigrants who are treated in the same way as Canadian citizens. About three per cent would be on student visas. Some of those would be through Canadian help programmes. Of course, this happens in a number of fields. Sometimes students come here under the aegis of foreign affairs or an external aid programme, complete their course and then decide to stay here. They are able to get landed immigrant status when they do.

Mr. Deacon: I think the figures you gave last night indicate that the number of foreign students being educated in Canada is double the number of Canadians going abroad. Is that not correct? That was sort of the figure you gave?

Dr. J. G. Parr (Deputy Minister): Yes, I will just check.

Mr. Deacon: As a country which has more of this world's goods than many others, maybe that is the ratio it should be because there was certainly a period in Canada's history when it was the other way around. At the same time, I am concerned about some aspects of the foreign students coming in—or even landed immigrants coming in because they can seek landed immigrant status and—

Hon. Mr. Auld: You mean the student visa?

Mr. Deacon: No, I mean landed immigrants. They can seek landed immigrant status, gain it and disappear because there is no real commitment. There is only going to be a three-year waiting period in Canada before they become Canadian citizens at which time you know their commitment is to this country. I think the landed immigrant and the student visa cases should be lumped together and if the

figure is 85 per cent Canadians and 15 per cent others, that's fine.

Hon. Mr. Auld: The dilemma might be though that a family arrives. They're all landed immigrants, of course, and some of the older members of the family are of university or college age who may have started elsewhere and want to continue. The policy of the government of Canada seems to be that landed immigrants are in virtually the same position as Canadian citizens with the exception of voting and qualifying for certain other benefits immediately they arrive.

Mr. Deacon: Yes, I'm not saying they shouldn't be able to be admitted but I think they should be lumped in the total non-Canadian situation, because after all, if you are allowing 15 per cent, that is still a substantial percentage of your student body which is non-Canadian.

Hon. Mr. Auld: Did you want to say something?

Dr. Parr: I was just going to add that recently the federal authority has suggested that this be a matter of discussion between it and all the provinces and as a preliminary to that we have been meeting with federal representatives in Ontario. We would hope there will be a meeting of the provinces and the federal government within the next few months to discuss these matters we are dealing with.

Mr. Deacon: I think the problem varies, too, in the particular fields. For example, in a field where you have a great deal of personal contact and where a person has to be able to communicate in many ways—not just in words, but in other ways—to be able to relate to patients, as you have in medicine, you have to look at it a little differently from the way you do in another field—maybe science, particularly in areas of research and things like that—where the person doing the job does not have to be in quite as close communication with individuals and able to communicate as readily as you need in medicine.

One of the U of T science professors pointed out to me that his very best research people, in nearly all cases, were foreign students. They had a tremendous drive to work and they did very fine work. He would just hate to see serious curtailment in his ability to get that kind of student. Maybe in his area we don't need to worry about the percentage being higher than in another area. I hope there will be some thought given to the particular occupation or profession involved when these guidelines are worked out.

The other thing we discussed briefly before we started was the matter of the part-time faculty. I don't go along with the idea that we shouldn't have part-time people. I support the view that medicine particularly should encourage some part-time faculty involvement. There again it brings out the importance of evaluating courses and there being constant evaluation of courses so that even though a person has other work in the field of medicine—or whatever practice or profession they are working in—that doesn't bar them from being a good teacher or prevent them from being taken on the staff even though the percentage may be different.

I think it is the practical result which needs to be evaluated in these cases. I would hope the ministry is going to help the universities improve their evaluations of courses and I still think they should be done under the chairmanship of the ministry on a province-wide scale.

The other matter I wanted to find out was how you are measuring the grants for part-time students' courses.

Hon. Mr. Auld: Do you mean in the colleges or the universities?

Mr. Deacon: In the universities.

Hon. Mr. Auld: There again, when it's a credit course there are certain rules as to how many hours and how many part-time students make one full-time or full-time equivalent. JC, would you like to explain the system?

Mr. Deacon: I am interested in this not only with regard to the actual—I know there is grant assistance—but how you check out the ones who register with enthusiasm at the beginning and drop out after the second lecture and that sort of thing. It's a great way for the universities to earn those grants. I want to know about the follow-up.

Hon. Mr. Auld: There is a count in February—

Dr. Parr: Our count is in December. We only count and fund those who have stayed in that long and they are pretty committed.

Mr. J. C. Yen (Co-ordinator, University Affairs): It is after the refund date, the closing of the refund date. If anybody wants to drop out, they want to drop out before they lose their money.

Mr. Deacon: Those are the points I wanted to ask about.

Mr. Chairman: Mr. Laughren.

Mr. F. Laughren (Nickel Belt): Sorry, Mr. Chairman, I was preoccupied, giving some advice to the member for Sudbury East.

Mr. Chairman: He needs it.

Mr. Laughren: Yes, I feel the same way.

Mr. Deacon: I didn't know he ever needed any.

Mr. E. W. Martel (Sudbury East): I am humble.

Hon. Mr. Auld: And it's only Tuesday.

Mr. Martel: That's right. I've just arrived after a week.

Mr. Laughren: I wondered about having the minister's thought on the whole question of foreign student quotas and tuition fees for students on visas. There have been some noises made in the university community that they be required to pay the full cost of tuition. Have you entered that debate at all?

Hon. Mr. Auld: I would say there have been a number of discussions. I've asked the same question myself—not necessarily the full cost but perhaps a higher cost than those who are subsidized by the taxpayers in the country. There are a number of factors involved. One of them is a practical and a philosophical one about interchangeability between countries and so on. Unilateral action would cause great problems if any one province did it, particularly a large province like Toronto, or rather Ontario.

Mr. Laughren: That was a beautiful slip of the tongue in view of what we've been saying about you fellows down here in Toronto for a long time.

Hon. Mr. Auld: That's what we've been saying in Brockville about these fellows in Toronto too.

Mr. Laughren: Yes, I understand, but you're in Toronto, though.

Hon. Mr. Auld: Except that I'm here Monday to Friday. If a large jurisdiction like Ontario were to make some significant difference, it would pass the load on to all other provinces that didn't. As far as landed immigrants are concerned, again we get back to the question of the federal contribution of about 50 per cent and their policy that landed immigrants be treated like Canadian citizens.

As far as student-visa foreign students are concerned, I think that that discussion, off and on, has probably gone on for some time and it probably will continue. I know that

other jurisdictions do not all do, or not all of their institutions do, what we do for foreign students.

Mr. Laughren: May I encourage you to discourage the universities from taking that kind of unilateral action to require them to pay the full tuition costs?

Hon. Mr. Auld: There are a lot of people who want me to do a lot of things about the universities.

Mr. Laughren: Yes, but not everybody with my wisdom and my perception of what's going on in the university community.

Mr. Deacon: Take it easy now.

Mr. Laughren: I think it's important that we not get into that kind of silly game of requiring groups of students who are on quota in the first place to pay more in higher tuition fees. I think that would be the wrong approach.

There are a couple of things I wanted to ask you as a carry-over from last night, if I might, Mr. Chairman, both dealing with this vote. I asked you, almost in passing, about the University of Toronto Act, and you indicated that there was a strong possibility you would be introducing it next week. Will you make a commitment to have that bill—

Hon. Mr. Auld: Hang on to your seat. Yes.

Mr. Laughren: You will? A commitment?

Hon. Mr. Auld: I was saving that really for sort of a birthday present for you.

Mr. Laughren: That's not until October. Maybe we could have public representations made to the bill.

Mr. M. Hamilton (Renfrew North): You could have another one.

Hon. Mr. Auld: I will hold it until October, then.

Mr. Laughren: No.

Mr. Martel: You might not be around then.

Hon. Mr. Auld: Oh, he'll be back.

Mr. Martel: I wasn't talking about him.

Hon. Mr. Auld: The member for Sudbury East will be back, won't he?

Mr. Martel: I'll be back.

Mr. J. Lane (Algoma-Manitoulin): It's very doubtful.

Mr. Martel: I'm not sure the Tory government will be back.

Mr. Chairman: I'm not sure that that's in this vote.

Mr. Laughren: I'm going to keep coming back until the community college system is a better place to teach in under a different administration.

Hon. Mr. Auld: Yes, and as I said last year, I want you back here to keep you out of the college until this generation gets by.

Mr. Laughren: I view everything in the long term.

Mr. Martel: That's what Wacky Bennett said.

Mr. Laughren: The other question was, would it be possible for you to table the copy of the letter which went from you, I believe, to the universities after you made your announcement of what the university grants would be this year, asking the universities what they envisaged as being their specific problems under the new financial arrangements?

Hon. Mr. Auld: I don't think I put that in a letter. I think that was in a speech to all the—I'll give you a copy of the speech if you want. There was one to the chairman—I'm not even sure whether it was in a speech or it was an answer to a question—yes, I think it was Dr. Winegard, who is this year's president of the Council of Ontario Universities.

I remember what happened. I made a short speech and Dr. Winegard spoke on behalf of the colleges. He said he didn't feel that the universities, within the funds available, could meet the criteria that I had set out originally in the letter of accessibility. That was in February and I mentioned this last night. So far I haven't heard from anybody as to what they can't do.

Mr. Laughren: Would it not be the case that they are making their presentations to the Ontario Council on University Affairs?

Hon. Mr. Auld: It could be. But I would then get it from them. But I have not got anything along that line from the council since February.

Mr. Laughren: Boy, time does drag on in the administration of university affairs.

The other thing I wanted to know was whether or not it is possible to get the statistics on the University of Toronto medical school, the staff/student ratio.

Hon. Mr. Auld: Oh yes, sorry—was it you who asked?

Mr. Laughren: Yes.

Hon. Mr. Auld: I am sorry, I thought it was Mr. Deacon.

Mr. Laughren: I don't mind you using him as a messenger.

Hon. Mr. Auld: It's all right, there is another one here.

Mr. Laughren: The ratio is 3.8, right? No, I'm sorry, that's total. That is remarkable, the highest ratio is at the University of Toronto.

Hon. Mr. Auld: Where did you see 3.8? Oh, up at the top, yes.

Mr. Laughren: Am I looking at the right figures? What is the difference between that and the bottom row?

Mr. Deacon: Medicine is 1973-1974 at the top and 1974-1975 at the bottom.

Mr. Laughren: Oh, I see. I'm very surprised. Could I ask you—I think you answered it—

Mr. Deacon: Excuse me, maybe I could follow that up. These questions really do define pretty carefully who is counted as staff in each case? We do know that they are equivalent figures, do we?

Mr. Laughren: Sorry, I didn't hear—

Mr. Deacon: I just wanted to be sure they were equivalent figures. Sometimes, I know, we had a lot of difficulty last year ascertaining the teacher-student ratios in the province. The different boards did their accounting in different ways.

Dr. Parr: We are having some marginal difficulties still but these will be essentially cleared up—

Mr. Laughren: What are the views of the minister on the whole continuing debate that is occurring on an open university in Ontario—the whole concept of making education more open? I want to talk some more about it when we get into the community college votes, but as regards the universities themselves, is there any serious research going on within the ministry to see how you can make university education more open in Ontario?

Hon. Mr. Auld: If defining open as using radio and TV and local libraries, away from the—

Mr. Laughren: Whatever is required to make it more accessible to people who heretofore have found difficulties—

Hon. Mr. Auld: Yes, we are still looking at it. As a matter of fact—where is that conference in the fall? At any rate, we are pursuing it, although I must say our activities at the moment have been a little more concentrated on dealing with the financial problems of the universities and the colleges.

Mr. Laughren: But the two are not necessarily mutually exclusive?

Hon. Mr. Auld: Oh no.

Mr. Laughren: Surely.

Hon. Mr. Auld: I would say at the moment our feeling is that we would probably not go the route that Britain has of a separate institution. We would use facilities and faculty and what not in the existing institutions. Dr. Parr, because you are a little closer to the academic end of it, do you have some comment on that?

Dr. Parr: The general feeling at present is that the situation in Britain, which led naturally to the open university through correspondence and radio and regional tutorial groups, is not pertinent to the Ontario scene. Nevertheless we are encouraging, and I think the situation is developing in which OECA and the universities and, we hope, the colleges will find ways in which they can jointly use their resources so these can be better distributed through the province.

Mr. Laughren: But how is that being encouraged?

Dr. Parr: We've had some preliminary meetings between people from the universities and OECA and we hope that within a month or two there will be a full-blown meeting between OECA and the universities in which they will swap their experiences and determine what resources they may jointly wish to use. It should be an interesting meeting.

Mr. Laughren: When you talk about OECA meeting with colleges and universities and use the term "full-blown meeting" it's probably an appropriate phrase.

Dr. Parr: Of course the universities, as you know, run quite substantial extension programmes. The mandate of the colleges is a particular one to fulfil community needs.

Mr. Laughren: We will certainly get into that in detail. But it seems to me that there is no commitment. Of all the things that bother me about the Ministry of Colleges and Universities it is that it seems to be stagnating. There hasn't been a breath of fresh air in there since

—it really hurts me to say this—since the Premier (Mr. Davis) left it.

Hon. Mr. Auld: You are probably right.

Mr. Laughren: Why don't you do something about it? Why don't you give the ministry the mandate to do some exciting things about opening up education in the Province of Ontario, making it more accessible?

Mr. Deacon: Save us from those exciting things.

Mr. Laughren: I'm not talking about doubling or tripling your budget. I'm just talking about giving it a different direction. I don't want to get into the college vote yet, but if ever there was an opportunity for you to move in as the new minister, it is now. You've been in this particular portfolio for, what, over a year now?

Hon. Mr. Auld: Yes.

Mr. Laughren: That's certainly long enough to get to know your deputy and all the people who can support you. I'm disappointed that nothing seems to be changing. It's as though you've become so preoccupied with formula and BIUs and so forth that there is not time to pull your people together and think about new directions of education accessibility and a way other than dollars. That's very disappointing.

Hon. Mr. Auld: There are some bad days you have, Floyd, and some good ones.

Mr. Laughren: Yes, but the days within the ministry are becoming consistently bad days. You stand rebuked. I want you to know that. I think you are missing an opportunity; you are not servicing the population of Ontario well. The potential post-secondary population you are not reaching. You are not reaching any kinds of people through post-secondary education different to those of five years ago, perhaps even 10 years ago.

I think when the colleges were created you did start to reach different kinds of students. Since then there's been no further effort. You can shrug it off with flippant remarks, but the fact remains that you haven't done it. You don't even have a task force or a meeting set up. You are talking about a meeting, but I don't see any evidence of anything happening. I'd be delighted if you can tell me.

Hon. Mr. Auld: We will surprise you.

Mr. Laughren: You sure will; you'll surprise a lot of people in the province.

Mr. Martel: I guess he has made them accountable. Have you done anything at all with that select committee report?

Hon. Mr. Auld: Which one?

Mr. Martel: On universities.

Hon. Mr. Auld: We discussed it at some length last night.

Mr. Martel: Have you done anything with it?

Hon. Mr. Auld: We missed you last night, Elie.

Mr. Martel: Well, I was away trying to get rid of a Tory.

Mr. Laughren: It is always a worthwhile exercise.

Mr. Martel: It was worth the endeavour.

Hon. Mr. Auld: You will see fascinating stuff in Hansard about it.

Mr. Martel: In two sentences.

Hon. Mr. Auld: Yes.

Mr. Martel: Have you done anything?

Hon. Mr. Auld: I wouldn't want to repeat it all today.

Mr. Martel: It might not take very long. It wouldn't fill up too many lines, would it?

Mr. Deacon: There wasn't anything you could say. You hadn't the answers to questions because you are going through Statistics Canada, or your staff—

Hon. Mr. Auld: Oh, yes.

Mr. Chairman: Oh, dear. Are they in for a surprise. They are going around the merry-go-round that we went around last night.

Mr. Martel: I am glad you said that, Mr. Chairman.

Mr. Deacon: This is why I was suggesting last night, Mr. Chairman, that the minister go directly to the universities instead of Statistics Canada.

Mr. Martel: They are going to have the nicest exercise possible.

Mr. Laughren: John Evans has more power than the minister has.

Mr. Martel: You heard the chairman, didn't you?

Mr. Chairman: I am a little exercised at the moment and I would just as soon not say too much about it.

Hon. Mr. Auld: Well, I am glad that was on the first vote.

Mr. Martel: I will find a way around it, I can assure you.

Hon. Mr. Auld: We really missed you, Elie.

Mr. Deacon: It doesn't need to be in the first vote here, does it? We could bring it up if we wanted to, but maybe the minister will have something for us next year or find a better way of getting information.

Mr. Martel: Oh, God, no. He hasn't had it this year.

Mr. Laughren: It will be time for a change in ministers next year. We will start all over again.

Mr. Chairman: Do you have any further questions, Mr. Laughren?

Mr. Laughren: No.

Mr. Chairman: Mr. Martel, do you have any?

Mr. Martel: No.

Mr. Chairman: Does item 2 then carry? Item 2 agreed to.

Mr. Chairman: Item 3 then. Ontario Council on University Affairs. Mr. Deacon.

Mr. Deacon: The Council on University Affairs is appointed by your ministry rather than being made up of the heads of the Council of Ontario Universities. It seems to me this is sort of a duplication. Why don't you just, in effect, fund the universities?

Hon. Mr. Auld: It is really a sort of buffer group, a pretty representative group of people from the university community, and lay people, which does a variety of things. Perhaps most important, it recommends to the minister the allotment of funds to the institutions and the methods. As I mentioned when we started, it is presently looking at the current formula, and has reached the point where it has reported to me that they are going to propose a change for 1977.

Mr. Deacon: Do you have every university representative on?

Hon. Mr. Auld: Oh, no. Would you like the list?

Mr. Deacon: If you would, please.

Hon. Mr. Auld: Well, Dr. Dupré, who has been seconded or is on leave of absence from the U of T, is the chairman.

Mr. Deacon: Right.

Hon. Mr. Auld: And the Rev. Walter Bag-nell, who is a retired bishop; Mary Butler Bush who is a graduate student; Dr. Deutsch; Antoine D'Iorio, dean of the faculty of science engineering—

Mr. Deacon: Where? Toronto?

Hon. Mr. Auld: No, Where is Dr. D'Iorio from?

An hon. member: Ottawa.

Hon. Mr. Auld: Yes, Ottawa University; James Fisher, who is a management consultant; Paul D. Fleck, a member of the Senate committee on university-community relations—

Mr. Deacon: Is that Toronto?

Hon. Mr. Auld: That's from Western. Dr. Reva Gerstein, a psychologist who was chairman of the old Committee on University Affairs; Tamara Giesbrecht, controller of Sir Wilfrid Laurier University; Dr. Lin Good, who is head of bibliographic operations at Queen's; William Goyaw, who is an undergraduate student; Dr. Dan Hill—

Mr. Deacon: From where?

Hon. Mr. Auld: Lakehead. Dr. Hill, human rights consultant; Rosaire Leger, director of education for the SDG school board in Cornwall; Alexander McCallion, a machinist from Hamilton; Fraser Mustard, dean of the faculty of medicine at Ottawa—

Mr. Deacon: No, McMaster.

Hon. Mr. Auld: McMaster. Margaret Orange, a member of the board of governors at the Elliot Lake Centre for Continuing Education; R. Peter Riggin, director of the Canadian Foundation for Economic Education.

Mr. Deacon: Where is he from?

Hon. Mr. Auld: From Toronto? Ronald Ritchie, now the executive assistant to the hon. Robert Stanfield; Harold Walker, who was a member of the old Committee on University Affairs, and before that deputy minister of this ministry, and before that of Revenue; John R. Yarnell, vice-president, finance, Canadian Arctic Gas.

Mr. Deacon: What percentage of those would be from Toronto, compared to the rest of the province?

Dr. Parr: Seven are from Toronto.

Mr. B. A. Wilson (Assistant Deputy Minister, University Affairs Division): Out of 20.

Mr. Deacon: Out of 20. I guess five out of 20 would be almost the Toronto percentage in population.

Hon. Mr. Auld: How did you count Ritchie?

Mr. Wilson: Ottawa.

Mr. Martel: Better off if you didn't count him at all.

Mr. Laughren: He's a carpetbagger.

Mr. Deacon: Do we have anyone from northern Ontario? Do we have one from Laurentian?

Mr. Laughren: You've got Ritchie. He's northern Ontario. He ran in the federal election up there.

Dr. Parr: And also one of the student members is, I think, from the Lakehead.

Mr. Deacon: The Lakehead, yes, that's right. So just two out of northern Ontario. Any from any of the other universities? I thought you had one or two from one of the other universities.

Hon. Mr. Auld: Queen's? Yes, Dr. Lin Good.

Dr. Parr: But there are far fewer members from universities than there are universities. There are how many universities?

Hon. Mr. Auld: There are 15 universities.

Dr. Parr: There are six university positions.

Mr. Martel: It's hard to find Tories in Sudbury to put on any board, though.

Mr. Deacon: I suppose what I'm trying to emphasize is that we don't want these universities to be getting bigger, and I would think we would be wanting almost an over-representation from areas outside Toronto—

Mr. Martel: Not with Fabbro.

Mr. Deacon: —in order to be sure that there's an emphasis on the dispersion of our student bodies and to encourage them away from the city. I would hope that you, in your appointments, could move in that direction.

Hon. Mr. Auld: I've indicated this in statements that I've made, too.

Mr. Deacon: Maybe the appointments you've announced would be a more appropriate place to indicate it.

Hon. Mr. Auld: I would hope none of these people are thinking they're there representing a specific constituency or area.

Mr. Deacon: No, it's not a matter of representing. It is having a knowledge of the needs of the community from which they come. Certainly, northern Ontario is one where there's a great need to encourage it. Maybe if the ministry itself were located in Timmins, away from the centre, it would help us get away from this.

Hon. Mr. Auld: I've thought that it's beautiful down on the St. Lawrence amongst the Thousands Islands. I've often thought that would be a—

Mr. Deacon: That's not a bad idea either, but the main reason is to have it where a lot of people are thinking more in terms of being away from the big city.

Mr. Laughren: Have a plebiscite.

Hon. Mr. Auld: Dr. Dupré has taken the committee on the road. Last fall they visited, I guess, every community around the province where there was a university. They're doing the same thing at the moment. As a matter of fact, I think it's appropriate to say a word of thanks to the council. Last fall this took every weekend, Friday and Saturday, from a couple of weeks after the council was set up, and they're on the same tour, in reverse order, at the moment. It's really quite a contribution.

Mr. Deacon: I would think this committee could be the basis of division of the funds, rather than using formulas. If we did have every university represented plus a few from the community at large, as you have there, they could actually do the allocation and recommending to you. You could then get away from the formula that is so restricting and so distorting so often in the whole question of allocation of funds.

Dr. Parr: It is quite possible, of course, that the collectivity of the universities represented by the Council on Ontario Universities could present, and it does present at times, its views to the advisory committee as to the way in which the funds be distributed. So far their recommendations have not moved—I think, Ben, I am right—very far away from

the current formula. It is some difficulty for them to come to some consensus.

Mr. Deacon: I can well understand that. It would probably be much easier for them to come to a consensus were they a part of a body—where it's not just themselves involved but some of the public at large—and chaired by this ministry. So often in situations where there is not an outside representation, you do get a lot of internal differences which can often be resolved by some people who are not part of the actual scene, sitting in and helping to bring some consensus.

Hon. Mr. Auld: Of course, you remember that last fall when I got all the university presidents and board chairmen in, in early November, I suggested—

Mr. Deacon: And gave them the bad news?

Hon. Mr. Auld: Yes. I suggested three things to start off with: the continuation of the present formula, an adjustment to it, or pretty well anything else they could come up with. These were discussed with each university by the council. The report I got back was 14 of the 15 said let's stay with the present system. That is not to say they did exactly what you are suggesting, but we did make some suggestions to them.

Mr. Deacon: That is probably the only thing they agreed to at that time. This is why I am suggesting that instead of them operating separately, they be part of this committee, that this committee be assigned by you the responsibility of allocating funds year by year, and that you say to them, "look it's up to you to decide how to do it, how the funding is to be done. You don't have to be confined to any formula; you just use the block amount of money we have made available for the universities. You tell us how you want it assigned." You can also tell them this is a five-year sort of programme. I would think that would make a lot of difference in the planning that universities could do, especially if it were combined with a good evaluation programme.

Hon. Mr. Auld: Well, really what you are saying is that we try again what we did last fall, except have our own people taking an active part in the discussions—

Mr. Deacon: Yes.

Hon. Mr. Auld: —because in fact Mr. Wilson and other members of the university affairs division did attend.

Mr. Deacon: Even to chairing the discussion.

Hon. Mr. Auld: Put in a word of thanks to Ben too, and some of his people who spent their weekends travelling around with the—

Mr. Deacon: Even to chairing the discussions. Of course, Dr. Dupré is your chairman but at the same time it is essential that there is somebody appointed by yourself to share in this number one role. Then they actually have the responsibility to come to a consensus in that committee. That's all I have.

Mr. Chairman: Mr. Laughren.

Mr. Laughren: How are you going to ensure that the OCUA feels that you listen to what they say?

Hon. Mr. Auld: Well, by listening to them.

Mr. Laughren: That is what you have always said, but from what I have gathered the last few years there was always the feeling that the ministry did its thing, and the committee—I guess it was called that then—was just window dressing.

Hon. Mr. Auld: Well, I just happen to have the scorecard here, and out of 16 recommendations I have accepted 15.

Mr. Laughren: Which one did you not suggest?

Hon. Mr. Auld: The \$16.2 million extra.

Mr. Laughren: Oh, I see.

Hon. Mr. Auld: I can remember that without looking it up.

Mr. Laughren: You certainly accept all the insignificant ones.

Hon. Mr. Auld: Well, the significant ones were the allotment of that \$568 million which included the basic formula of the grant of the Law Society of Upper Canada; the grant to the Ontario College of Art; bilingualism grant; supplementary grants to Carleton, Windsor and York; supplementary grants to Brock, Lakehead, Laurentian and Trent; BIU value under the government's expenditure target for 1975-1976; the ACAP report on political science; improving new graduate programmes on anthropology and geography at York; a five-year plan for graduate development at Laurentian; the special northern Ontario grants to Lakehead and Laurentian and to Algoma, Hearst and Nipissing; a study of administrative processes in the university

capital support programme; and the level of support for cyclical renewal in 1975-1976 on the study of specific government objectives in providing capital assistance to universities.

Mr. Laughren: When they made those recommendations to you, were there dollars attached?

Hon. Mr. Auld: Yes.

Mr. Laughren: Did you accept the dollar figures on all those recommendations?

Hon. Mr. Auld: Yes.

Mr. Laughren: Including the bilingual grants?

Hon. Mr. Auld: Yes.

Mr. Laughren: You mean Laurentian got the dollar grants that the OCUA recommended it receive?

Hon. Mr. Auld: That is correct.

Mr. Laughren: Is that right?

Mr. T. P. Reid (Rainy River): How about that?

Dr. Parr: The OCUA publishes its reports anyway, so any differences are visible.

Mr. Laughren: Right.

Mr. Chairman: You have to admit it is a very good record.

Vote 2502 agreed to.

On vote 2503:

Hon. Mr. Auld: Could I just introduce Phil Adams, who is assistant deputy minister of colleges and manpower?

Mr. Laughren: Is that a new title?

Hon. Mr. Auld: No, he was the same thing yesterday.

Mr. Laughren: I thought it was a different title you gave him. I don't mind.

Hon. Mr. Auld: I might have said manpower and colleges.

Mr. Reid: On 2503, item 1, I would just like to ask my perennial question, Mr. Chairman, and that is: When you look at the programme administration, the cost is somewhere over \$6 million. Salaries and wages make up the bulk of that \$6,394,000. How many people are employed in programme administration, and why does it cost so much?

Hon. Mr. Auld: The programme administration includes the assistant deputy minister's office, the regulation of private vocational schools, the college affairs branch, and the manpower training branch. The complement is 365.

Mr. Reid: Three hundred and sixty-five employees?

Hon. Mr. Auld: The manpower training branch is the biggest single entity of it.

Mr. Reid: I wanted to know about the manpower training branch. I want to know what they do.

Mr. T. P. Adams (Assistant Deputy Minister, College Affairs and Manpower Training Division): Mr. Shaver, please.

Mr. Reid: I have been asking a series of questions in the House and I haven't got any answers.

Hon. Mr. Auld: Do you want the answer to the one that you just asked? I just happen to have that here.

Mr. Reid: What does the manpower training branch do? Can somebody give me a reasonable answer?

Hon. Mr. Auld: It was formerly the industrial training branch. It was in the Ministry of Labour and was transferred to us in 1972. To give you the objective, it is to optimize the qualitative and quantitative supply of properly trained men and women for employment in industry. There are six major activities: apprenticeship, adult training, short-term training-in-industry programmes; training in business and industry, modular and other experimental training programmes, certification and examining programmes, and, of those 365 that I mentioned, 322 are in this branch.

Regarding a question the hon. member for Rainy River asked the other day in the House, actually there isn't a budgetary decrease in 2503, item 3, because that \$107,000 is concerned mainly with phasing out the old training and industry programme for which the province put up all the money—the portion of the \$117,000, which was reduced from \$196,000 to \$60,000, and indeed the previous year, was \$257,000. The entire programme is being replaced by the Canada Manpower Industrial Training Programme. They are putting up the money for the whole thing; and Ontario puts in the technical input.

The reference to grants for apprenticeship is a very small amount that covers a few people who don't qualify as adults under the federal programme. I have forgotten the difference in the definition, but, what is it, 22 people? It's a very small number isn't it, Mr. Shaver?

Mr. D. W. Shaver (Associate Director, Manpower Training Branch): We have a complement of 23 people who look after the Canada Manpower Industrial Training Programme.

Mr. Reid: This branch is probably the least visible of any government department or ministry. The minister read off six areas in which you are involved. I have been trying to get some answers, particularly on the Dymond report on "Training for Ontario's Future." I would like to know its status. I understand you asked for a task force to be set up for replies to be made. Can you tell me, Mr. Shaver, where we are at now?

Mr. Shaver: Mr. Gordge has been actively involved in that and I would ask him to take it for me.

Mr. L. F. Gordge (Manpower Training Branch): The report was made public some time ago.

Mr. Reid: At least a year.

Mr. Gordge: Because of its complexity we were asked by a number of our major clients for an extension to permit them to prepare adequate submissions. There was some delay after these extensions had been granted. Presently we have something in excess of 100 submissions, ranging from one-page letters to fairly substantial technical inputs. We have an internal group set up within the ministry to analyse these inputs and we expect to have all the information completed and a report presented to the minister within two months.

Mr. Reid: The report no doubt will be—how do we say it?—an in-house document, which probably won't be made public. I would like to know the ministry's thinking in what direction they are going to go in this regard. I don't pretend to be an expert on the report, but I suppose it says we are wasting a lot of time and talent and human resources in the way we have been going at this thing; particularly through the vocational courses in the high schools, possibly in the community colleges and so on. I wonder if anybody here is prepared to say just what direction we are going to go as far as manpower training is concerned.

Hon. Mr. Auld: You mean as far as the recommendations in the report were concerned? I would say we are not prepared to at the moment. You asked whether the assessment of the comments on the Dymond report would be a public document. I can't see any reason why it won't be. The only thing I would say is that we would have to decide if we were going to have it printed, and in the quantities that the report was printed—it was a very popular document, as I recall—and what we would do with all the submissions that came in with it. To try to reprint those would be a very costly and voluminous exercise.

Mr. Reid: I am not really so concerned about the comments from your clients as I am about what direction the province is going to go. Maybe I could make a little speech at this point.

Hon. Mr. Auld: Mr. Chairman, if we are going to go through it by item this is really item 3 you are talking about now.

Mr. Reid: Well, no.

Hon. Mr. Auld: Do you want to finish with with that and then go on?

Mr. Reid: The manpower part of your ministry comes under vote 1, does it not?

Dr. Parr: Yes, the operation of the manpower training branch does.

Mr. Reid: Yes.

Hon. Mr. Auld: I see what you mean, yes.

Dr. Parr: I wonder if I might just add, for clarification, that the committee which worked under Mr. Dymond's chairmanship was, I think, entirely a committee of the staff. It was a committee of civil servants. Consequently it's most important to get the response to that report from the people outside, which I'm rather anxious to do.

Mr. Reid: I appreciate that. Just let me make a few comments, if I may, Mr. Chairman.

Mr. Chairman: Perhaps maybe it would be better if we took 1 and 3 together, to understand what you are talking about.

Mr. Reid: I don't imagine there will be too many comments on 3, in any case. It seems to me that one of the more important problems and challenges that we are going to face in the future is in making sure that people are trained for jobs that are going to be available. The unemployment statistics seem to indicate that

the highest rate of unemployment is amongst those who are unskilled and untrained and, in some cases, untrainable and the more poorly educated.

I'd like to know—and maybe somebody can make a note of these things as we go along—what exactly is being done for these people? People who do have trades or who are skilled or who are highly educated have relatively less trouble finding employment. But the situation is going to get that much worse.

Hon. Mr. Auld: You are talking primarily of so-called mature people, say over 23 or 24.

Mr. Reid: The unemployment statistics indicate that the highest percentage of unemployed is between 18 or 20 and 25, I believe. It seems to me that our programme should be aimed at these people. There are two problems here, obviously. What is the supply of jobs going to be? What kinds of skills and talents are going to be required 10 or 20 years hence? You've got the two problems of supply and demand here. Maybe your ministry has this well in hand but there doesn't seem to be any kind of public manifestations of just which direction the province of Ontario is going. To try to get any information on manpower—and I must admit I haven't gone directly to Mr. Shaver—it's a little difficult to find out exactly what they are doing, at least, by asking the ministers about it anyway.

Hon. Mr. Auld: I think, oversimplified, the provinces have the responsibility for the educational system. The government of Canada is the one with the Manpower ministry and the one that is looking at national needs. I think you have to look at it rationally, rather than just within the provincial border.

In this branch, where we are talking about people who have been in the work force or at least have left the formal education system, they work, of course, very closely with the colleges in arranging that portion of formal training that's required in apprenticeship programmes and the training that may be required, for instance, in business and industry in upgrading or in retraining.

They also work with the federal manpower people to arrange retraining courses and in getting people back, in the non-technical and academic end, who stopped school at an early stage and who require retraining. Plus a certification in the trades, where there is compulsory certification or voluntary certification.

Mr. Reid: I gather that you are not ready to accept the recommendation in the Dymond report that you do away with apprenticeship

licensing or certification in all but the auto mechanic trades. I gather we are still going on with our usual certification programmes on the successful completion of the courses.

Hon. Mr. Auld: I don't know what the view of the division might be but for myself, I want to see all the arguments pro and con on that one because my own feeling is that the apprenticeship programme has been a good one. There may be some modifications required but I would want to look at that pretty carefully. Have we got a sort of a general summary of the responses so far?

Mr. Gordge: In this particular area as far as certification is concerned, the preponderance of opinion is that we should retain compulsory certification. The primary argument is that it helps to maintain the public health, safety and welfare.

Mr. Reid: Of course, the report's point is the best protection of the public health, safety and welfare is for on-site inspection in many of these things. I am not advocating doing away with the certification. What I am working around to is this: I have had one particular example of the ministry supposedly trying to get on somebody who was operating in—

Hon. Mr. Auld: Refrigeration.

Mr. Reid: Refrigeration. I am not interested in going all through that one again. I was most disappointed in the way this thing was carried out. On one hand, you had a man who had a certificate and on the other hand you had somebody who didn't have a certificate doing the work. The ministry, in effect, took no action except to encourage the man who didn't have it to get the certificate. That's fine and good but at the same time if you are going to have certificates, those who don't have them and are operating without them should be penalized in some way. Otherwise, it makes a farce of the whole thing.

Hon. Mr. Auld: As I recall, unfortunately we couldn't get enough evidence to justify—

Mr. Reid: That's not exactly true either. There were invoices signed with the description of the work done. What I want to say to you is I think I agree with the report that that section should not be in Colleges and Universities. I think it should be more properly under the Ministry of Labour where I think it was originally, was it not?

Hon. Mr. Auld: You mean the inspection part rather than the training and qualifications?

Mr. Reid: Right. I agree with the training being where it is but the inspection branch, I think, should be under the Ministry of Labour; particularly in those areas where you don't have staff and you have to rely on the Ministry of Labour anyway.

I would like to mention one other thing and that is the modular training. You mentioned it was an experiment. I think the stationary engineers are the main ones involved in this. Are there discussions with the trade or with industry before you set these programmes up? Is there an ongoing consultation with them?

Hon. Mr. Auld: Yes, there is a trade advisory. Do you want to answer?

Mr. Gordge: It goes back to the 1961 MacNaughton committee on safety practices in the operating engineer field. That committee made a recommendation that a board of review be established under the Operating Engineers Act, composed equally of organized labour and of employers. It's authorized to advise the minister on the training and employment of stationary engineers. About 1971, they approached the industrial training branch asking if we would take on the responsibility for developing a structured training programme for operating engineers. To that date about all that had been available was the Southern Alberta Institute of Technology course.

Prior to that, we had had another committee, a general advisory committee on industrial trades, which had proposed to experiment with the modular training concept. Following that recommendation, the educational sub-committee of the board of review approached the branch. This committee had senior representation from both the operating engineers' union and from industry and based on that initiative, we developed the modular training programme.

In the course of the development, we visited some 2,500 power plants in the province. There was a complete analysis made of the occupations and the programme was structured to meet the needs defined by the analysis.

Mr. Reid: So you are happy with the way the situation is?

Mr. Gordge: There has been complete consultation with the industry, but I suspect that the programme has been put together in much too discrete units and we are having some administrative problems with it.

Mr. Reid: This may not seem particularly important to you but do I understand correctly that when they are writing their exams or whatever for each module, that they are

required to come down to Toronto or some large centre? Or are they allowed to write these exams in their home town under someone's supervision?

Mr. Gordge: They would normally write them in a centre in which we have a council located. We have them write in Kenora, Thunder Bay, Sault Ste. Marie.

Mr. Reid: I see. So you are relatively happy. Do you intend to move into any other of the trades with the module concept?

Mr. Gordge: I don't really know whether it is appropriate for me to comment on that at this stage.

Hon. Mr. Auld: Not unless we have got the money in the budget.

Mr. Reid: Let me put it this way—let me rephrase the question. I gather then that you are relatively happy with the programme's success as it applies to the stationary engineers, and that you would recommend that this method be used in other trades? You wouldn't say that?

Hon. Mr. Auld: As I gather, there is some problem that you would want to iron out at the moment with the modular system that's presently in operation there, before you would want to try to look at others.

Mr. Gordge: We have moved to amend the programme that you referred to, as a matter of fact, by reducing the number of modules. We've had a lot of complaints about the number of modules at the fourth class level. As a result of these complaints and submissions, we have amended the programme and reduced the number of those modules to seven.

Mr. Reid: Yes, that is one of the complaints that I had heard—the fact that there were too many, relatively speaking.

Two other points if I may: We have high unemployment in Ontario but no unemployment, relatively speaking, in northern Ontario. In fact, our problem is exactly the opposite we're suffering from a shortage of skilled labour in the mines and the wood industry. Have you any programmes or any ideas, other than mobility grants, as to how to get people there? I don't know if you people are aware of this study that was done at Quetico Centre, which happens to be in the Rainy River riding—it's just been published. It's a conference on getting and holding manpower in northwestern Ontario. I'm sure you are aware of Quetico Centre—you would be, Jim, anyway.

Some of the problems are related to the fact that housing is in short supply and there aren't all the amenities. But do you have any programmes aimed at specific areas where there are shortages of?

Hon. Mr. Auld: I'm not sure about the woods end—how extensive that is—but in the mining end we have.

Mr. Gordge: We have been operating training programmes in the mines across northern Ontario for the past 10 years and we've probably operated in excess of 100 short-term training programmes.

Hon. Mr. Auld: That's it, yes.

Mr. Gordge: But with respect to mobility, this normally is considered a federal function.

Mr. Reid: I was more interested in what the province was doing specifically.

Mr. Gordge: In both the mines and the woods area, we have operated a number of short-term initial training programmes over the past 10 years.

Mr. Reid: But that's not sufficient. You see, this is my point. I don't think there is a mine in northern Ontario that isn't suffering from a manpower shortage, and it's getting the same way in the woods industry.

Hon. Mr. Auld: Part of it, as I understand it, is the lack of trained people and part of it—sometimes a bigger part—is accommodation for them.

Mr. Reid: Right, but there is still a lack of trained people.

Hon. Mr. Auld: I guess I could sum it up by saying that we provide the training but we do it at the request of the feds—the Manpower people who have the people who require the training.

Mr. J. F. Foulds (Port Arthur): There is just one question that I would like to pursue that came up in the discussion here. You mentioned summer training programmes that you've been conducting for students? I must have misunderstood you. But there is a training programme with the mines?

Hon. Mr. Auld: Oh, it isn't a particularly seasonal programme. It can be put on any time. In fact, people can and do enter one week, the next week or the week after. It can be a continuing programme.

Mr. Foulds: Do they enter right into the work place on this programme?

Hon. Mr. Auld: Yes, they do.

Mr. Foulds: Do you subsidize the wages they receive?

Mr. Gordge: The federal government subsidizes the wages. The distribution of responsibility at the moment in the short-term industrial training area is that the federal government is responsible for funding and administration of the programme and generally for referral, while the province is responsible for all of the pedagogical aspects of the programme—for the analysis, curriculum development, evaluation, monitoring, etc.

Mr. Laughren: Have you considered the possibility of making mining an apprenticeship programme? They have moved in that direction in Manitoba, I believe.

Mr. Gordge: There have been initiatives, particularly from the United Steelworkers of America resulting from their national convention last year. We've taken a look at the feasibility of defining mining as a trade. I personally am not convinced that it's practicable. The mines are already in difficulties for labour, and to impose a highly structured training programme on them would create far more problems than they have now.

Mr. Laughren: I could suggest to you that with the kind of publicity that the mining industry is receiving in places like Elliot Lake, you are going to have an even more serious problem attracting people to the mines. I would suggest that you put your heads together with the steelworkers, for example, because they are the collective bargaining agent for the workers there, and give serious consideration to the problem. It's not a case of the United Steelworkers attempting to restrict the employment of people in the mines; obviously it's on the contrary. But given the working conditions that have been so obviously unsafe in those places, then the matter is going to get worse. It seems to me you should be doing something about it.

Hon. Mr. Auld: Have they made an official approach to us?

Mr. Gordge: They have done, Mr. Minister. We have held meetings with the Ontario Mining Association, and we're examining the programme at Manitoba to see whether it's feasible to introduce the same sort of thing in northern Ontario.

Mr. Laughren: Do you think it would restrict the number of people who would go to work in the mines?

Mr. Gordge: We don't know quite what impact it would have. It seems, from our analysis of the work force organization in the mines, that the master miner that the programme proposes to train isn't really necessary in all mines. There are various specialized activities in the mining field.

Mr. Laughren: But isn't that true of almost all apprenticeship programmes? A mechanic or a carpenter, say, doesn't require the specialized training he gets for a lot of his jobs but it's still a part of the programme.

Mr. Gordge: Frankly, I don't think we can go much further with it until we examine the Manitoba experience a little more closely, because they are having problems with it, I know.

Mr. Reid: Could I just ask a question? How does Mr. McNie fit into this whole picture?

Mr. Laughren: I think that's an unfair question.

Mr. Reid: I think Mr. McNie thinks it is too.

Hon. Mr. Auld: The manpower secretariat is not involved in actually providing the training; I would say that at the moment they are probably more actively involved than we are in summer employment and overall manpower needs, for instance, in terms of immigration and that sort of thing. They're not involved at all in actually providing the programmes, other than the summer programme.

Mr. Chairman: Mr. Braithwaite.

Mr. L. A. Braithwaite (Etobicoke): Mr. Chairman, I would like to get back to this question of apprenticeship training. I want to remind the minister of a letter I wrote to him and the one that he sent back.

I would like a little clarification on a couple of things. I wonder if the minister could tell me if his department is aware of the fact that the bricklayers, the stonemasons and many of these people are Italians and many of them are not really all that familiar with regulations, etc.

In the minister's letter, he stated that the grandfather period closed in December, 1972. The problem is that many of these people had no idea it had been closed. In North York in particular—this is the reason I brought the matter up—many of these workmen work only a certain period of the year and they were given to understand that if they didn't pass the exams, when they came back after the winter period they wouldn't be employed as brick-

layers or stonemasons but would be just labourers.

The first question I wanted to ask was, is there any possibility of this grandfather period being extended to take care of these situations? There are many workmen in the Toronto area—I don't know about the rest of the province—who find themselves in this position. They had no idea the period was closed. I don't know how well it was advertised in the trade by the government, but these people now find themselves in a situation that is very delicate. Perhaps I could get some responses in that particular area.

Hon. Mr. Auld: I don't see how we could extend the so-called grandfather clause period, because the kind of problem, as I understand it, that you are speaking about—and I am sympathetic toward finding a solution—is one that would be a continuing one.

Mr. Braithwaite: No.

Hon. Mr. Auld: As I recall, in going over the names of the people you gave me, when we checked with the school board they said they had all started. As I recall it, the school board was talking about a certificate of qualification in this trade, which is not required to practise the trade but you can get one. Some employers require it as a matter of employment. In the North York board case, these individuals said the certification requirement didn't apply to them because they had come to work for the board before the board decided its employees from then on would require the certificate of qualification. I don't recall in your letter whether you indicated they were only working part-time, but if they were, I assume all the employees do roughly the same sort of thing.

Mr. Braithwaite: Well, as I understand it, some of them work eight months of the year and they are off, I presume, in the winter period. The real problem is that these people had no idea that the period had closed in December of 1972. They aren't as familiar as you or I might be with what goes on in regulations, and their concern is: What if they are laid off by the board; where are they then?

Hon. Mr. Auld: You mean if they go to another employer and the other employer requires a certificate?

Mr. Braithwaite: Right. There aren't going to be that many people affected throughout Metro, but the point I make is, why couldn't the period of experience that would be required under the grandfather clause be extended far

enough so that the only people who would benefit would be those who could have qualified as of December, 1972?

Hon. Mr. Auld: I will take a look at that. I must say I got the impression from your letter that these people were going to be affected in their current employment.

Mr. Braithwaite: They were at the time, but as I say, reading your letter and having discussed this further with them—because I am not that familiar with that trade—most of them tell me that, not knowing the way we operate, even though they have been here for years, they didn't understand that at a certain time that was it.

That is the first suggestion I make to the minister and perhaps he could look into that. Sufficient notification should be given, by the way, to the trade. As I say, you can extend the period required so that it would just benefit those who would have been eligible then. You can make it six months or you could make it for a year, and if anybody doesn't take it, fine.

Hon. Mr. Auld: You are giving me some free legal advice on how to work it out.

Mr. Braithwaite: No, I'll charge you.

Mr. Reid: You will never get free legal advice from a lawyer.

Mr. Braithwaite: No, but that, I think, is very important to these people. As I say, the ones I have written you about are just a small group. But I understand there are many others in other places, and I think this is an important factor in the Italian community. That is the first thing.

The other matter I wanted to ask you about is this question of the tests and the books and so on. Inasmuch as the bricklaying and the stonemason trade contains a high portion of people of Italian origin, why couldn't the minister consider having that particular trade test in that area in Italian? The point made to me by some of these workmen was that it's fine to take somebody in with you, but you are not allowed to take a tradesman in with you; you have to take—

Hon. Mr. Auld: For pretty obvious reasons.

Mr. Braithwaite: Well, there must be a reason all right, but the point is that you can bring in somebody who speaks Italian. Now the problem is that by the time the translation is carried out, there seems to be a great deal of difficulty on the part of these people in actually getting down and doing the test.

I'll go into the test later, but I want really to suggest to the minister that inasmuch as that particular area of the trade, brick-laying and stonemasons, has a high proportion of Italians, how much more would it cost? If we are really interested in helping these people, how much more would it cost?

Hon. Mr. Auld: For one specific group, I suppose very little; but really if we were to do it, we would have to do it for any person who was not familiar with English or French—and that means, really, quite a problem.

We would have to do it every place too. I would hesitate to have a special programme that only applied in Toronto, which would apply for a language other than English or French, if there were more than four of five or 10 people who were being examined at the same time or something.

Once again, I suppose you could work out something. There would always be problems—but there would always be a problem because somebody didn't show up at the last minute and there were only four instead of the minimum of five; and that sort of thing.

Plus the fact, too, that very often a tradesman will be working with, say a tradesman who has come here from another country and is not yet too familiar with English or French. He will be working with a couple of other people from his country, who perhaps have been here longer and understand, say, English better. But they will probably be working for somebody who only speaks English somewhere up the line. So somebody is going to have to do a little translating on the way down anyway, and really it's a little practical experience in the same sort of thing during the test.

Mr. Braithwaite: Assuming everything you say is correct, my submission would be that really you are magnifying the problem, because it appears to me you are taking it out of the realm of the construction trade. As I say, it is my understanding that most of the bricklayers and stonemasons are Italian. Now that's all I am talking about. I am not talking about the other trades. I am not talking about other areas.

I really don't think it would cost that much. We have translators here who I am certain could translate the exams—there are not that many exams to begin with. I'm certain it wouldn't cost that much. We have the department that answers all these queries for the government in all these different languages. I'm certain that somebody could be available on a part-time basis to translate the exams.

Hon. Mr. Auld: I don't know whether Mr. Shaver wanted to make any comments about—

Mr. Braithwaite: I am not talking about other languages or other trades.

Hon. Mr. Auld:—what we would be involved in if we were to pursue the suggestion that Mr. Braithwaite has made.

Mr. Shaver: Certainly I could take it up with our ministry. Probably Mr. Gordge would have something on the history of this and know whether it has been tried before.

Mr. Gordge: We do have some experience with occupational competence testing for immigrant tradesmen. We attempted to set up tests in other languages. This has proliferated to the extent that they are now administering these tests in 23 different languages, and it is becoming very difficult to administer.

The answer to the problem you pose seems to lie with the English-language programme for provisional tradesmen. We have and have had for some five years a programme at George Brown College in Toronto for equipping provisional tradesmen with English language, with a specific trades language to enable them to pass a certificate qualification examination in English.

We have had numbers of up to 600 or 700 at the time of this programme. It has been quite successful. It was intended primarily for new immigrants, but there is no reason at all why someone who is perhaps even second-generation but speaks only Italian shouldn't go into that course.

Mr. Braithwaite: Accepting everything you say, I say again that I am not talking about a proliferation of different trades. I am talking about only one little part of the construction trade. When these people work—stonemasons, bricklayers, etc.—as you know they work long hours. I really don't know if it would be practical for these people to go back to school just to learn the English language in relation to their trade.

I throw this out to the minister in any event. I would appreciate it being looked into, because I really don't feel it would be that expensive just for that portion of the trade. I don't know about other trades, but we all know that in the construction trade, and particularly in bricklaying and stonemasonry, most of these people are Italian. I really can't see why the regulations can't be bent just a bit in that particular trade.

Hon. Mr. Auld: I will take a look at both those things.

Mr. Braithwaite: All right.

Now the next thing; I sent the minister a copy of the failure notices of these people. I just want to go through two or three of them here.

Mr. Iaboni—his first name is Ferdinando—is in the bricklaying trade. This is your form, and I am sure the minister is familiar with it. In no. 1, materials and tools, out of a possible 49, 17 is what he actually got; chimneys, fireplaces etc., out of a possible 12, two is what he got; structural methods, out of a possible 46, 16 is what he got.

I could go on, as there are several of them here, but they are all the same. They got very low marks and these are people who have been in the bricklaying trade for over 30 years. In various periods of time, I asked 20 or 30 of them how could this be. They told me they can do it by hand, but it is a different thing altogether when somebody sits them down in front of a test.

First of all, they have to have a translator, and we have discussed that already. Secondly, they point out to me that the language that is used in the tests is the language of highfalutin architects, and they are only hard-handed working men. I don't know how it is possible, or if it is possible, for these tests to be reduced to the type of language these people understand. That is a real problem, and this was the problem that these people had on these tests. As I said, I am not that familiar with the trade. I am merely bringing to the minister's attention the difficulties these people told me they had with the tests.

On top of that, and I am looking at each one of these failure notices that I have here, in item 4 under bricklaying trade, which is blueprints, layout, trade and mathematics, out of a possible 18 marks they could get in that each one of them got zero. This is the type of thing they consider to be most unfair. I don't care how you look at it, but there is no way people who have been in the trade for 15 or 20 years could get a mark of 35 in total out of 125 in one case or 44 out of 125; and it goes on.

The point is that each one of these people got zero on the fourth item. I am asking the minister if perhaps his people could explain to me why people who have been in the trade that long and who could build a house for you while we sat here could get zero on that sort of thing?

They can read blueprints; they have to read them to do the job. They tell me the problem is that the language is so difficult, it's the language of the educated man but not of the workman. This is the problem, and I want to bring

it to the minister's attention. They don't consider this fair, and it doesn't appear to be fair to me either.

Hon. Mr. Auld: My first comment would be that the language used in the tests I'm sure is the language that is used on the job by whoever is in charge of it.

Mr. Braithwaite: Now that is the very point that I must disagree with this, this, they told me, is not so.

Hon. Mr. Auld: I am talking about—

Mr. Braithwaite: More than one of them told me this is not so. Architect's language is used on the test.

Hon. Mr. Auld: There may be somebody down the line on the job who translates that part for them. But if a fellow is going to have a certificate, I would assume the certificate implies he is at least capable of taking directions immediately from the architect, because he may not be building the Toronto-Dominion Centre, he may be one of two guys who are building a fireplace or a chimney in a house.

Mr. Braithwaite: Right.

Hon. Mr. Auld: Perhaps you can pursue the philosophy behind the test a little for us.

Mr. Gordge: I am a little bit concerned, Mr. Minister, about the comments on the architectural terms, because there are no architects involved in the preparation of these examinations.

Mr. Braithwaite: I am using the language they used in describing it to me. What they said to me was: "Look, if I were an architect, or if I were a man trained in college, I could understand what the things are, but I am a hard, heavy-handed working man." They say: "Why can't they make the tests so that a man who does the job can read them?" Perhaps they are not the words of an architect; I don't know, I didn't see them. I am only telling you what they said. Obviously they all couldn't be wrong.

Mr. Gordge: All examinations are developed normally by technical subcommittees of the provincial advisory committee for the trade.

Mr. Braithwaite: How many working men are on those committees?

Mr. Gordge: The provincial advisory committee is appointed by the minister and is composed equally of labour and management representatives. On a committee for the bricklaying trade—I am not sure of the numbers on

the committee—but you would have possibly six practising bricklayers and six employers in that field. Normally when they go into examinations they take a small technical subcommittee of that group to do the initial examination work. When those examinations have been structured they are distributed by mail to employers in that trade for validation. If it's an interprovincial examination it's distributed across Canada.

Mr. Braithwaite: Are we talking about the bricklaying trade? I just want to confine this discussion to the bricklaying trade.

Mr. Gordge: The procedure is the same no matter what trade. All of the examinations are structured by the trades people who are practising in the industry at that time.

You mentioned earlier that this particular group of people has a language problem anyway. It's possible that even the normal terminology in the trades might be a problem to them.

Mr. Braithwaite: It's most difficult for me to comprehend why these experienced working people should get zero out of 18 on the blueprints-layout-trade-mathematics. The marks are bad in the rest of it, but this zero—obviously something is wrong. All I am asking the minister to do is instead of having so many employers on this thing, get some of the working people who speak Italian and test it on them to see if they fail, before these people put \$10 down. I want to ask the minister about that later.

You don't know how badly these people were shocked when they got this failure notice which showed 35 out of 125 marks. Many of them are very proud people, and in their trade they looked like fools. They are very upset, and this is why they came to me about this. I want to bring out to the minister that there is no way that these people should get 35 marks out of 125, or 44 out of 125. There is something wrong.

Hon. Mr. Auld: Now, Len, I am sure we have a great many bricklayers and masons—Italians or Italo-Canadians—who have their certificates. So I suppose it could be like everything else, there may be some people who aren't as good at some aspects of things as others.

Mr. Braithwaite: Could the minister not have the tests reviewed so that more marks might be given for the practical work and fewer for the academic side of it? This looks to me the same as the boys who go on to grade

13 and the boys who finish in grade 12; they are two different types altogether, both very good, but one is good with his hands and the other one is going on to college.

These people aren't going on to college. These people are working on the job. And if they've been working for five, 10, 15 or 20 years, I can't imagine how they can fail this badly. This is why I think the minister should have this part of it reviewed.

Hon. Mr. Auld: I'll have a look at it myself. As a matter of fact, I've been wanting to learn a little bricklaying because I've got some steps to fix.

Mr. Braithwaite: Fine. Now, as to the people I asked you about, you said you were going to look into the matter of the ones who had failed having their money returned to them. Can the minister tell me whether he's done anything about that?

Hon. Mr. Auld: No, I haven't yet; I haven't had an opportunity. I thought about it at the time you asked me the question. My understanding is that the fee doesn't really cover the cost of the examination. It covers perhaps some of the out-of-pocket costs, but not the entire costs. I suppose if we are looking at that, we should be looking at the whole situation.

Since this is a voluntary kind of thing—I assume that people do it because it's an advantage to them—it would seem to me that it's worthwhile that they pay part of the cost. I would have more sympathy with abolishing or reducing a fee if it was a mandatory sort of thing.

To tell you the truth, I haven't really had a chance to talk it over with the people as yet, but I will.

Mr. Braithwaite: All right, I accept that. But I would point out to the minister that at least in the eyes of the ones that I've brought to your attention, they figure this is a most unfair situation. It isn't the \$10. It isn't the money. It's just the fact that they figure that they were led up the garden path. If they had known what the test was like—as a matter of fact, one of them did find out and didn't take it for that very reason. But if they had known it was so unfair, they would never have taken it.

It is a matter of principle. The \$10 is nothing to the government; I know it doesn't cover the cost, but the test itself is not fair. I'll leave that with the minister.

One other thing: In the last paragraph of your letter, you talk about recommended textbooks not being available, etc. I would like to know if any of the textbooks for this partic-

ular trade, bricklaying and stonemaking, have been translated into Italian so they could take them home and study them?

Hon. Mr. Auld: I really don't know inasmuch as we don't provide them. I'm informed that they haven't been.

Mr. Braithwaite: Considering the facilities available to the department, is it not possible to have this done, even if it's only in synopsis form? As I say, the people who are ultimately going to have to take this C of Q test are going to have to study, and to my way of thinking these little helps to the working man aren't going to hurt the department.

I really would ask the minister to speak with his people to see whether we can't bend a little to help some of these people progress in this country. I feel, and they feel that this sort of thing is most unfair. They can't get the books but if they do get them, they are in English and they have a difficult time having them translated. If you have somebody who can do this—and I'm certain there are facilities available to you—why not have them done?

Hon. Mr. Auld: I suppose the cost of translation would be a factor, but there would also be the cost of printing and getting into the book business. I suppose the reason they aren't available in Italian at the moment is that no commercial publisher—somebody must have looked at it and decided that there just wasn't a sufficient market, I don't know; I'm simply guessing. But I'll look into it.

Mr. Braithwaite: All right. Has the minister considered hiring Italian persons, specifically knowledgeable in this sort of thing, to translate some of these things?

Hon. Mr. Auld: As I say, that wouldn't be the big problem. You might have some problem about if you had to get into adjusting drawings and so on. But the real thing is the printing.

Mr. Braithwaite: In closing, I want to say—

Mr. Deacon: The amount of stuff that comes out of Queen's Park here—

Mr. Braithwaite: I was just going to say, the amount of press releases and what not that comes across my desk and I am a lowly back-bencher. I don't know how much comes across your desk. To my house and everywhere else this government—

Hon. Mr. Auld: I don't think that it's in that kind of form. Those are not built to last, those press releases.

Mr. Braithwaite: They're not built to last? There is sure a lot of hot air that comes across.

Mr. Laughren: It's timeless prose, some of it.

Hon. Mr. Auld: Oh, the language is great.

Mr. Laughren: Oh, I see.

Mr. Braithwaite: The language is great, is it?

Hon. Mr. Auld: I'm talking about the material on which it is placed.

Mr. Braithwaite: All I'm saying is that I'm certain that if the minister's people were really that concerned, they'd have no difficulty in getting somebody and having this done. I really want to make that point on behalf of these people, that this particular test, this particular situation, should be looked into. And if the minister can consider reopening the grandfather period, I think that would help a lot of the people along with these various points that I've made.

Mr. Chairman: Mr. Laughren.

Mr. Laughren: On that same point, do you know how many of those bricklaying tests were written in the province, and how many failed, and how many people whose first language is Italian failed out of the number who wrote the test? Is that information available?

Mr. Gordge: Not here. We can get it.

Mr. Laughren: It might be an indication of just how unfair the test is.

Hon. Mr. Auld: I'll try and get that information, although it may not be totally accurate. I assume we'd have to go by the names and we might be guessing. It might be a name that appeared to be Italian, but the person might be quite fluent in English.

Mr. Laughren: Wait a minute now. We're in the College and Adult Education Support Programme, and that's the one which Campus 8 operates in, so you need only tap them and say, "Look, fellows, dig it out of your computer system."

Hon. Mr. Auld: Gee, maybe we can get it before 6 o'clock.

Mr. Laughren: I have infinite faith in Campus 8.

Mr. Braithwaite: Should be no problem at all.

Mr. Laughren: None at all.

Mr. Chairman: Shall items 1 and 3 carry?

Mr. Laughren: No, no. We're just starting.

Mr. Chairman: I have one matter I want to raise, and I don't know whether it's most appropriate under the colleges of applied arts and technology, item 2, or whether it's under this one. So, in case of dispute I'll do it under this one.

There are two matters actually. The first one is definitely under this vote, and it has to do with the Dymond report that we were talking about before. I'm sure I know less about it than the member for Rainy River, but I received a rather passionate letter from—I'm using the word passionate in its truest sense, Mr. Minister.

Hon. Mr. Auld: I was just curious to know how you spelled Dymond and various others. You led me off on a flight of fancy.

Mr. Laughren: With the chairman's indulgence, I would like to read the letter to the minister in the hope that he could respond to some of the criticisms in it. I couldn't, when the constituent—actually it's not even a constituent—when the gentleman wrote to me. This gentleman is a counsellor in a secondary school who, I gather, is involved in the technical programmes. He had expressed concern and I had written to him asking him to explain further, because I didn't understand what he meant. He says:

In reply to the letter you wrote regarding the concerns I had expressed about the Dymond commission report, I am pleased to enclose a photocopy of the brief I sent the Ministry of Colleges and Universities. I also enclose a photocopy of the recommendations of this report, with those I object to marked. It is my belief that this is another clear example of the results obtained when your government is overly sympathetic to input from the business community. The makeup of the commission itself almost guaranteed that the interest of the citizen and the student would not take priority in the report. That could be criticism No. 1.

The commission spends a considerable amount of time examining the British, German and Swedish systems, and then dismisses them as not applicable here. And yet all of them, especially the Swedish system, in my opinion are far superior to anything we have here. The proof of this statement is simple: If it were not so we would not have to import tradesmen from them.

What is really meant is that these systems are not applicable here without demanding

that industry uphold its responsibility to take an active role in training our young people. I am sickened by requests, such as that made by the construction associations, that if government doesn't immigrate 100,000 over the next few years, then gloom and doom will result. The stupidity of this, when we have kids coming out of the school systems who can't find work because they don't have the experience and have over seven per cent unemployment in the labour force, is appalling.

The present apprenticeship system is a farce anyway. What it basically says is: "If you find an acceptable job, we will put you on apprenticeship, if your employer will go along with it." That is about as poor planning for efficient use of human resources as it is possible to devise.

The authors of the report themselves state: "The Swedish programme is the most consistently successful of the three foreign systems. Its comprehensiveness and the financial administrative adaptability of its structure are a model of what can be accomplished in the fields of training and manpower policy."

These same people go on to state: "As much as we admire the Swedish system, an even casual investigation of the conditions in which it developed should convince us of its inapplicability as a total concept for Ontario."

They state as reasons our federal-provincial jurisdictional difficulties and the fact that our economic policy is vastly different, as Sweden has a commitment to full employment and a greater degree of tolerance for inflation than Canadian economic policy.

I think we can safely dismiss the last statement. We aren't doing any better inflation-wise than they are, and just because the government in the past has not made full employment the top priority it deserves to be, does this mean we must assume this will continue?

They state that Sweden is a society committed to close labour-management-government co-operation. Damn it all, it didn't occur by accident. Half of the problems that we have in this country are because government departments, the business community and labour movements all run around in circles not talking to each other. It is no accident that two of the countries whose systems are studied have had social democratic government for years and the other has had at least strong influence in labour governments.

If I could depart from the letter, I would say, "Hear, hear," before I go back to it. It goes on:

I realize that the federal-provincial problem makes things more difficult, though when something is so far superior to what we have, then we had better get rolling and overcome the difficulties, not just use them as excuses. What is truly amazing is that the recommendations proposed would make an already weak system even weaker if implemented in their entirety. Read the names and occupations of the committee members. Not one of them has in any likelihood trained as a tradesman or faced unemployment.

As you can probably tell, very few things that I have seen in print have infuriated me as much as this report. It was only an accident I ever saw it all, and I bet you there are many other teachers and tradesmen who would react in the same way but who probably don't know it is even around.

I realize it is time to adjourn, but I would appreciate a response when we come back at 8 o'clock.

Hon. Mr. Auld: I will give you a response. It is one of the ones we are looking at.

Mr. Laughren: One of the what?

Hon. Mr. Auld: The comments.

Mr. Laughren: Right. Could I have some comments from Mr. Shaver when we come back?

Hon. Mr. Auld: You said, "Hear, hear." I am inclined to say, "There, there."

Mr. Laughren: Well, it will be, "Hear, hear."

Hon. Mr. Auld: I must say I detected an interesting bit of philosophy there. I detected he was not in favour of much of the report. Would that be fair?

Mr. Laughren: I think it is safe to say that he felt there could be improvements.

Hon. Mr. Auld: That's the way I understood it. That's right.

Mr. Martel: That was written by John Robarts, by the way.

Mr. Laughren: I didn't tell you his name.

Hon. Mr. Auld: I didn't know there were two.

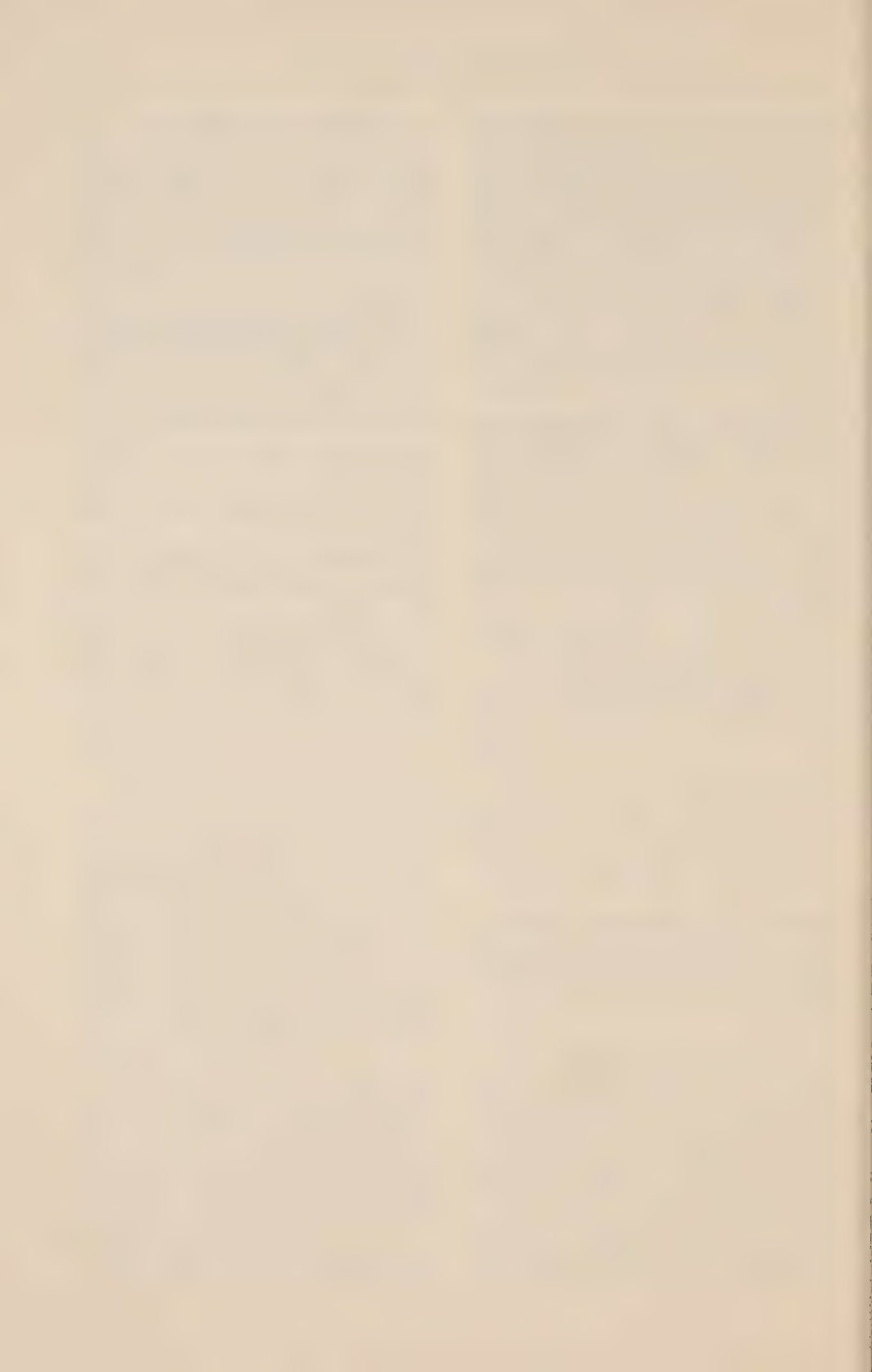
Mr. Laughren: How do you know there are?

It being 6 o'clock p.m. the committee took recess.

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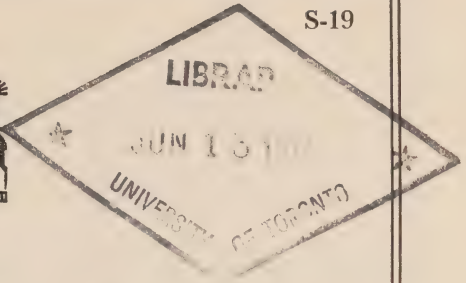
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Ontario. Legislative Assembly
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Legislature of Ontario Debates

ESTIMATES, MINISTRY OF COLLEGES AND UNIVERSITIES

Standing Social Development Committee

Chairman: Mr. R. G. Hodgson

OFFICIAL REPORT — DAILY EDITION

Fifth Session of the Twenty-Ninth Legislature

Tuesday, May 27, 1975

Evening Session

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

THE QUEEN'S PRINTER
PARLIAMENT BUILDINGS, TORONTO
1975



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Daily index of proceedings appears at the back of this issue. Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff (Phone: 965-2159).

LEGISLATIVE ASSEMBLY OF ONTARIO

TUESDAY, MAY 27, 1975

The committee resumed at 8:09 o'clock, p.m.

ESTIMATES, MINISTRY OF COLLEGES AND UNIVERSITIES (continued)

On vote 2503:

Mr. Chairman: We are dealing with items 1 and 3. **Mr. Laughren.**

Mr. F. Laughren (Nickel Belt): Thank you. I had read to Mr. Shaver—

Mr. D. W. Shaver (Associate Director, Manpower Training Branch): **Mr. Gordge.**

Mr. Laughren: Mr. Gordge, I'm sorry. I read him a letter from someone in northern Ontario—West Bay, as a matter of fact—about the problems with the Dymond report. I was hoping Mr. Gordge could respond to some of those concerns that we're expressed.

Mr. L. F. Gordge (Manpower Training Branch): Before I respond to the particular concerns expressed I think I should make the point that the letter you have there is not vastly different from many of the submissions we've received as a result of the release of the report. Many of the other submissions show absolutely contrary points of view. We should look at that letter in the context of the overall response.

If we can deal with the salient points in the letter, it comments first on the makeup of the Dymond task force. The committee was composed almost wholly of civil servants, but it did have an independent chairman. What the letter fails to mention is that the committee set up seven major conferences in Metropolitan Toronto which involved almost every segment of industry in Ontario, of the educational system in Ontario, of the labour unions, and all of these inputs were considered. So to assume that the membership of the committee implies any sort of constraint on the interests that were represented, I think is quite improper.

Your letter comments on the Swedish system and infers that that might well be imported to Canada. Again, had your constituent been involved in the proceedings he would have

appreciated that there are substantial differences, both in the organization of the work force in Sweden and in the educational system. The labour organization is substantially different, so it is very difficult to import that type of thing into a setting such as the one we have in Ontario.

Mr. Laughren: I am sorry, would you mind if I asked you a question? Could you be more specific there? Why is it that much different, why would it be that difficult?

Mr. Gordge: The traditional European concept of craftsmen, for instance, spreads throughout the whole industrial sector. That applies in Sweden, Denmark, the UK generally. In Ontario the work force organization is different in the construction industry, for instance, than in the general industry sector, because the construction industry still adheres to the traditional single-craft level for tradesmen. In general industry you have more of a hierarchical arrangement, where they will bring people in as labour and they'll progress through various strata to become perhaps management, perhaps engineering people. The labour unions, too, are organized in a different sense, in that we have local unions here rather than national unions.

Mr. Laughren: But if someone goes to work for a large construction company as a labourer for example, it's very unlikely that that person will rise up through the ranks in, what's the name "The Great American Dream"—Horatio Alger fashion to the top, you know. I have heard it said that Horatio Alger is alive and living in General Motors. That's really kind of a myth. It's just that, it's a myth, and the odds on someone rising up through the ranks to management are great.

Mr. Gordge: It's perhaps not a Horatio Alger, but a lot of these people do wind up as superintendents with major construction companies. But the construction industry is not one that I would argue with particularly. I am concerned with the general industry sector.

Mr. Laughren: It certainly wouldn't happen in the mining industry.

Mr. Gordge: No, and it wouldn't happen in the steel industry, because the work force

organization is substantially different as are the labour union organizations.

Mr. E. W. Martel (Sudbury East): I hate to interject, but does it really happen that much in Europe that you are that diversified once you have entered an industry that you can handle a whole host of jobs? If I interpret what you said correctly, you said that a man in some of these countries enters into a business to take an apprenticeship and could, in fact, then start as a labourer and then go through them all. Are you saying he becomes highly skilled at them all?

Mr. Gordge: No, the European experience is the traditional craft experience, where they start people as apprentices and then they become journeymen.

Mr. Martel: Right. That is to some degree Canadian.

Mr. Gordge: It is in some sectors of industry, but it's not true generally, in the sense that that letter implies, because it is not true in the general industry sector in Ontario.

Mr. Martel: Where isn't it? If you take an apprenticeship in an industry such as the railroads or the mining industry, and you take a mechanic's apprenticeship or an electrician's apprenticeship in those particular fields, you don't then immediately proceed to another one; you remain constant in that one type of apprenticeship.

Mr. Gordge: Let me give you a specific example. Quite some time ago there was that much confusion about the work force organization in the steel industry that United States Steel set up a programme called the co-operative wage study which is intended to develop position classifications and job descriptions for all the people in those industries. They found when they came to the electrical mechanical maintenance areas, for instance, that they could not define the people in those areas at the traditional craft level because the jobs had been organized in such a fashion that they followed more of a hierarchical arrangement, with the various levels of skills developing as they come to the top of the hierarchy.

But there is a bidding system in the industry that will only permit so many people at the top. They tried to enforce a traditional craft structure and superimpose it on that organization which has been developed co-operatively between organized labour and management. It was absolutely impossible.

Mr. Martel: If you say superimpose, what you are saying is management doesn't want it

—because I have fairly close contact with the labour field and they are trying desperately to get recognition, whether it be as a skilled miner or as an electrician. I have met with the Ministry of Labour people and the trade unions on a number of occasions as they tried to get certified as electricians, and so on, in the various occupations at the International Nickel Co. holding in Sudbury or Falconbridge. They are trying desperately to get recognition.

It seems to me that if there are people who are resistant to it, it is management who don't want it. The unions want to have skilled labour. Manitoba has now moved to recognize trades—with a certificate for a miner, which is a highly skillful job since they are using machines that are worth millions of dollars.

Hon. J. A. C. Auld (Minister of Colleges and Universities): I think the member is talking really about the meeting that we were both at, in my office.

Mr. Martel: That's right.

Hon. Mr. Auld: The problem in the nickel companies was that the companies had required certain skills which were not recognized throughout the rest of the province as specific skills—which I think is what the member is saying. When you try to put the traditional craft bit, which is pretty broad, into this kind of an industry where you have got seniority and other kinds of things, you get into the problems about certification and qualification, but that is not the—

Mr. Martel: The problem, though, is, when you allow yourself to be straitjacketed the employee then becomes a virtual slave to one particular industry.

If you don't make his apprenticeship broad enough, and he is trained by a corporation—one specific company—he can't break out of it. He's got their qualification, which doesn't give him provincial recognition.

Hon. Mr. Auld: Because he doesn't choose, or he is unable, to take the other qualifications that would make him flexible elsewhere. This is one of the problems that we are looking at in terms of the Dymond report, and I think this is what the staff is trying to say—that the letter that the member for Nickel Belt read takes one point of view and takes an example from another jurisdiction which is not necessarily applicable here because there are different circumstances. This is the kind of thing that we have to resolve, and that is why we are not doing it very quickly.

Mr. Martel: The other point is that the trade union movement, despite what was said, didn't

write that final report—or they had very little input into the final report. I read it, and I spent Friday with my friend from Manitoulin, and we discussed this very brief. I voiced my opposition rather strongly that management—is trying to—and that report suggests that management should—determine the number of trades and who will be turned out and so on. Those are the last people who should have that say.

Mr. Gordge: But you seem to have misunderstood—in fact a lot of people seem to have misunderstood—our purpose in releasing that report. Because those findings were findings of a committee of in-house civil servants based on inputs they had from industry, organized labour and so on.

Mr. Laughren: I think they understood that. No, the point is we want to make it clear to you where we find some disagreement in the report.

Hon. Mr. Auld: You asked the question, so give us a chance to respond.

Mr. Gordge: The very points that you have made in connection with employer incentive training for instance are issues that have been dealt with by a lot of the respondents, and some of them are adamantly opposed to it. In fact, few are very strongly in favour of it. So the report is serving the purpose of a green paper. It's being distributed, and we are getting public responses to it, some making comments such as these, some taking an absolutely contrary point of view.

As I mentioned earlier, the next step is to assess these inputs internally. We hope to have a report to the minister within about two months. That's the time frame we are working to.

Mr. Laughren: Okay, perhaps we could let you finish responding.

Mr. Gordge: There is one point in connection with importing these programmes from other international jurisdictions. It brought to mind the comment that the general advisory committee on industrial trades dealt with back in 1968. They'd done a lot of research on various international writers of some note on Manpower training, industrial education and so on.

They were citing John Wellens, who is one of the more famous of the British writers on manpower training. Wellens commented in his book, "The Training Revolution," that of all of the jurisdictions he had examined, Ontario had the best apprenticeship programme. It seems to contradict a lot of what you have there.

There was one other point you made: Constraints to entry into the apprenticeship system. It is traditionally a part of the apprenticeship programme that the apprentice applicant find an employer. If he has the entry criteria to come into the programme and finds himself an employer, and if we are convinced that the employer has the training capability, he can become an apprentice.

There are a lot of assumed constraints to entry into the apprenticeship programme. One of them I heard at a conference at OISE very recently, where comments were made about the fact that vocational students were excluded from the apprenticeship programme. In fact, this just isn't so. We've gone to great lengths to integrate the educational system with the apprenticeship system and we do give advanced standing to people from various programmes from the community colleges, for instance. So I would like to take a look at specific constraints before we are prepared to comment much further on them.

The last item was the need for more co-operation between government, industry and labour. I would tend to agree with that. But "more" is a relative term. You should really have some appreciation of the degree of co-operation that exists at the moment in the apprenticeship programme.

We have some 33 provincial advisory committees, all appointed by the minister to advise on training employment in the various trades. They are composed, as we require by the legislation, equally of employee and employer representatives. In addition to the senior provincial advisory committees we have something like 100 local apprenticeship committees scattered about the province who are appointed to advise and assist the director on apprenticeship training. I don't know whether you are aware that these committees are in existence.

But there is already a great deal of co-operation among industry, labour and government in this area. When we've concluded our analysis of the input of the Dymond task force report, there is a strong probability that we will be making recommendations to the minister on possibly bringing more senior people in to deal with the broad policy issues under the Act. That is about the position.

Mr. Laughren: Okay, I suppose it will be a while after that before the ministry makes public any kind of response to the Dymond commission report, since it is responsible, at least partially, as a result of your recommendations to him, I would think. At least you would hope so.

Hon. Mr. Auld: Again it's like speculating. You wanted me to speculate last year on what we were going to do about the U of T Act. When I get the analysis of the input I'll be in a better position to know what I'm going to do about it.

Mr. Laughren: Where did you drag that analogy out from?

Hon. Mr. Auld: From thinking about this time last year, when you kept saying, "What are you going to do with the report from the University of Toronto?" and I said, "I don't know until I get it."

Mr. Laughren: In my worst fears, my worst moments, I didn't dream that it would take you a year.

Hon. Mr. Auld: That's why I've been so cautious about giving deadlines any more, because I really don't know. An awful lot of things seem to happen and a lot of things don't happen when they should in some of these exercises. It's very hard to predict.

Mr. Martel: You should tell John you're the minister and not him.

Mr. Laughren: Yes, tell John.

Mr. Martel: Just tell John Evans that's enough of his nonsense; you've had it with him. We got fed up with him, didn't we, Glen?

Mr. Chairman: That's not quite a fair statement. We didn't believe in one of the statements he made; that was all.

Hon. Mr. Auld: I might be able to—no, I probably wouldn't be able to do that either. I'm not sure I could tell the governing council, all 50 or 60 or however many there are at the moment—quite a number—exactly what they ought to do and when they ought to do it.

Mr. Martel: No, but you might make them accountable—

Hon. Mr. Auld: They have long debates and discussions in the governing council and it has constituent committees.

Mr. Martel: You might make them accountable to the province, in view of the fact we bestow on them a rather large and substantial amount of greenbacks without which they couldn't operate. That doesn't mean you're infringing on their autonomy at all. I say you make them accountable. You will recall the bill you withdrew some time ago; have you ever reintroduced that bill?

Hon. Mr. Auld: Gee, I'm awfully glad you weren't here when we did the universities vote.

Mr. Martel: I wish I had been.

Hon. Mr. Auld: We missed you.

Mr. Martel: I missed not being here, just to get in a few cracks. I've been meaning to ask, whatever happened to the bill which was going to make them accountable? Why did it leave the order paper? That's a question which was never answered during the debate on second reading. The question as to why you withdrew that bill was never answered.

Hon. Mr. Auld: Next year be here the night we're talking about the universities vote.

Mr. Martel: Next year you won't be the minister.

Hon. Mr. Auld: I'll try to answer that for you.

Mr. Martel: You won't be the minister.

Hon. Mr. Auld: Well, you never know. I have survived pretty well so far.

Mr. Martel: I'm not suggesting you won't survive. Coming from the area you do that's a strong possibility.

Hon. Mr. Auld: It's 15 months, isn't it?

Mr. Martel: You must be pleasing John Evans then.

Mr. Laughren: It's time to move on, I would say.

Hon. Mr. Auld: Yes, let's get back to—

Mr. Martel: Yes, before somebody makes you accountable.

Mr. Laughren: No, I meant you, not the vote. There are all sorts of young bucks in that Tory caucus who are just chomping to get at your seat.

Hon. Mr. Auld: The minimum is a three-year course, you know, and some are four.

Mr. Laughren: Since when?

Hon. Mr. Auld: Then there's always post-graduate.

Mr. Martel: Why didn't you tell us what happened to that bill though? I'll bet you didn't answer that last night.

Hon. Mr. Auld: Meanwhile, back at the estimates.

Mr. Martel: Did the minister answer that last night?

Mr. Laughren: Which?

Mr. Martel: Why he withdrew that bill so quickly in the dead of night?

Mr. Laughren: As a matter of fact, it was his parliamentary assistant who withdrew the bill on the advice of the Provincial Secretary for Resources Development (Mr. Grossman) who saw, all of a sudden, that everything was collapsing around their ears.

Mr. Martel: The member for Oxford (Mr. Parrott) hasn't said anything.

Mr. Laughren: That was an intriguing night, I remember that very well.

Hon. Mr. Auld: I would comment, but I wasn't there and—

Mr. Martel: It was a delightful night, especially when Harry found out he couldn't respond because the provincial secretary withdrew the bill, and everything was wrapped up at 10 p.m.

Mr. Chairman: Do you have further questions, Mr. Laughren?

Mr. Laughren: The provincial secretary had a call from John Evans.

Mr. Martel: John has a lot of power.

Mr. Laughren: Mr. Chairman, I am going to raise the subject which, as I said earlier, could fit into the specific college sub-vote or could fit here because there's some overlapping. It probably belongs best here. That is the whole question of training people who in the past have been very difficult to train, and have had intermittent work records or, in some cases, have never been employed.

I wonder if you're familiar with the programme that's under way in Manitoba, called the new careers programme? I forget how many trainees they had last year—it was 50 or 60, in that neighbourhood—and this year they have 200 trainees. These people are drawn mainly from small communities in the northern part of the province and I would like to suggest to you that in Ontario we need this kind of programme. I'll give you some details on it and then, hopefully, someone could respond as to any reason you would see it not being applicable to Ontario.

First of all, just to give you a brief profile of the people who are the trainees in the programme, 75 per cent of them are native people, 70 per cent have less than grade 9 education, 76 per cent have an unstable work history or indeed have never been employed at all, 60 per cent are women and 70 per cent of those women are sole-support parents. In the programme there has been an 85 per cent reten-

tion rate, so I would suggest that a couple of the reasons that the programme appears to be a success are the retentionary and the growth of the programme to over 200 trainees this year and a projected 250 trainees for 1975-1976.

Mr. Chairman: I think you are right, Mr. Laughren; it would more aptly come under the second item on the vote, grants for adult training. This seems to be right on them.

Mr. Laughren: It has to do with apprenticeship programmes in training too. Does it really matter?

Mr. Chairman: No, not really.

Mr. Laughren: Okay, I'll proceed then.

The objectives of the programme, which I think are truly admirable—and there are only four of them—are as follows:

1. To help disadvantaged persons enter the job market, especially in areas of high need in the human services;

2. To make services more efficient and effective by extending a professional worker through the use of paraprofessionals;

3. To create socially useful and meaningful jobs at the entry level and to train persons for entry-level jobs as well as for advancement within and between departments;

4. To reorient government employment practices by demonstrating that the waiver of traditional recruiting patterns and credentials does not entail a lowering of standards with special programme efforts.

Those are the objectives of the programme. By the way, they get financial aid through the federal Department of Manpower and Immigration as well. There is also another grant—I forget where the other grant comes from.

Hon. Mr. Auld: I thought you said these were mainly native people. Would they be treaty and non-treaty Indians and Métis?

Mr. Laughren: As far as I know.

Hon. Mr. Auld: Well, there might as well be a grant from Indian and Northern Affairs for those who are treaty, I suppose.

Mr. Laughren: Yes, it could be. There is also a National Health and Welfare research grant, so there is considerable federal money available.

The career areas that these people are involved in are interesting, I think. They are divided into government ministries or departments. There are nutrition advisers, bookkeepers and managers, council clerks, home

advisers, community health workers, correctional officers, welfare workers, social service workers, library technicians, drug and alcohol counsellors, rehabilitation specialists, resource technicians, audio-visual technicians, adult educators, rental clerks, accounting clerks, human resource workers, home advisers, community health workers, correctional officers, group counsellors, dental assistants, placement officers, probation aides, institutional supervisors, liaison workers and library technicians.

The rate of pay for these people varies anywhere from \$4,800 a year up to about \$8,700, depending on the number of dependants they have. They are spread all over the province, but the majority of them, of course come from the northern part of the province.

Hon. Mr. Auld: When you say the rate of pay, do you mean after they have completed the course successfully? Or is this during the course?

Mr. Laughren: No, that is when they—

Hon. Mr. Auld: You mentioned something about the number of dependants.

Mr. Laughren: No, I think that is their starting salary because it's a training-on-the-job programme. It's not an academic programme. It's not narrowly defined into apprenticeship programmes and they work with government ministries.

Hon. Mr. Auld: Provincial government ministries?

Mr. Laughren: Provincial government ministries—

Hon. Mr. Auld: And they are paid a salary not in relation to the job but in relation to the job combined with the number of dependants?

Mr. Laughren: At the beginning, yes. What I found very interesting about it was the work history of these people was really dismal, that they'd gone into the community and selected these people; and it has worked. I suspect it worked because the people running it had the right attitude toward them too, a very positive attitude. They didn't just give them jobs which entailed keeping them busy working:

I was going to give you an example:

Vocational Rehabilitation Counsellor: one trainee, at Portage la Prairie. Health and Social Development trainee is required to have a knowledge of the department's programmes and the programmes of outside agencies. Interviewing and counselling will be a large part

of the job, particularly rehabilitation cases with emphasis in helping lay out vocational goals. That's just one example; I could go through literally a dozen or more of them, including all the social service workers.

Considering the problems that there are in northern Ontario. I'm wondering why you don't institute a programme like this. There are always problems with people who have bad work histories, and this seems to me to be a very positive programme, one that could make a significant impact.

Hon. Mr. Auld: Who was involved in this as far as the Manitoba government was concerned—which department?

Mr. Laughren: All the departments of government.

Hon. Mr. Auld: It would sound to me like something that would have a genesis in, say, the equivalent of Community and Social Services.

Mr. Laughren: A memo from the Premier went out to the various ministries indicating that they were to get on with the job of supporting this programme.

Hon. Mr. Auld: Have you some information on that?

Mr. Shaver: Yes, Mr. Minister. If I may, I think what the member is referring to there compares rather closely to what we call a basic job-readiness programme which is offered in six or eight colleges of our own system. It's in the retraining divisions of our colleges, and I think at St. Clair alone we have 200 students in the type of programme to which you are referring. The students graduate from this job-readiness programme when they can benefit from the standard programme and academic upgrading, or skill development, or what have you. I think this would be close to what the member for Nickel Belt is talking about.

Mr. Laughren: You could be right, but I don't think you are.

Mr. Chairman: Mr. Laughren, you could say how long this programme has been in effect in Manitoba.

Mr. Laughren: It started in 1972. It must have been before that because the Premier in his memorandum—of Sept. 28, 1972, to all ministers—indicated the government considered the new careers pilot project a success, and asked for co-operation and project proposals from all departments. I think that's significant that the Premier would enter the

debate and say to all his departments, "The pilot project has been a success. Let's get on with it, and spread it throughout all the ministries."

Hon. Mr. Auld: It sounds to me from what you have just mentioned, and what you mentioned before, that it's a programme that is offering people to various ministries and saying, "In your ministry what sort of social work needs to be done related to your goals and objectives? Tell us how many people you need and what sort of training." What I'm curious about is who organized and ran the thing to see that the training appeared. Was it the feds?

Mr. Laughren: No.

Hon. Mr. Auld: As Mr. Shaver has said, in the various fields that you've mentioned there's training available in the community colleges. But somebody has to pay the fee. There is nobody paying living allowances and that sort of thing other than federal manpower.

Mr. Laughren: No, it came out of the manpower and employment section of that document that the Manitoba government put out called, "Guideline for the Seventies." I don't know if you've ever heard of that. It was regarded as a highly political document because it came out just before the provincial election in Manitoba in 1972. I can remember some of the criticism of it because while it said it was a guideline to the Seventies, it was an obvious political document as well. At least, that was the feeling of many people.

Mr. Chairman: They do that sort of thing in Manitoba, do they?

Mr. Laughren: Apparently, yes.

Mr. Martel: It is another type of budget they don't introduce in the event.

Mr. Laughren: We have told them some of the things that you do as well.

Mr. L. A. Braithwaite (Etobicoke): They were shocked.

Mr. Laughren: The report of the task force on equal opportunity in the civil service of Manitoba, a year ago, January, 1974, recommended:

That the new careers programme should be expanded and mechanisms established to ensure that all departments and government agencies participate in new careers and train and employ new careerists in numbers which are consistent with the department's ability and potential to do so.

The cabinet then recommended that the programme be expanded considerably to include up to 200 this year and 250 next year. The reason I don't agree that it is the same as the JRT programme—I think they call it—is that this isn't centred on a college. I think that's one of the good things about it. Not to detract from the colleges in Manitoba or any place else, it is a job-oriented programme.

Do you really think, given the work record and the educational level of the people who are employed in it, which I outlined to you, that the success of the programme would be enhanced by sending them back to college? I think that would be a very serious mistake. For example, you are not going to get people in the riding of Nickel Belt, who live in very small isolated communities, taking a programme at one of the community colleges.

This is a programme where you let them work with a government ministry, and the government has ministry presence in virtually every community in the province. You have a Community and Social Service person and Natural Resources people are in most of the small northern communities. All of these ministries could be used to integrate these people into the work force.

Mr. T. P. Adams (Assistant Deputy Minister, College Affairs and Manpower Training Division): Mr. Chairman, I think, I could shed a little light on this. For the past three months, I have been chairing an inter-ministry task force that's working at reviewing existing manpower training policy and our existing agreements with the federal government. I must admit that we have identified certain gaps and voids not covered off. This is one of the fringe areas which we have identified.

We are committed to getting something going, inter-ministerially, to try to cover these off and to attract the marginal people who never seem to be trapped by the formal institutions-centred training programmes. Yes, I do admit that we have identified this. We are committed to doing something about it. I can't tell you any specific programme right now because our most recent meeting was just at noon today. It is that current. But we have identified it and we are prepared to move on it.

Mr. Laughren: Well, it is nice to hear a senior personality in the ministry not be defensive about a suggestion that a member of the opposition makes, Mr. Chairman.

Mr. Chairman: In fact, maybe they are right along with you.

Mr. Martel: Are these people playing follow the leader again?

Mr. Laughren: No, but why don't you admit when there is a loophole in your programme and say, "Yes, we realize that and we are going to do something about it"? I would hope, as well, that you would pay particular emphasis to the small, relatively isolated, communities in northern Ontario. I can take you into communities—I have forgotten the exact statistics—where people receiving social assistance of one form or another are 25 and 30 per cent of the people in the community. That is the kind of profile they are talking about when they said that 76 per cent of them have an unstable work history or were never employed. Those are the kinds of people you should be working with because they can be salvaged. They deserve better than they have received from this government, Mr. Chairman.

Hon. Mr. Auld: Mr. Gordge, would you like to comment on that?

Mr. Gordge: There are just a couple of points, Mr. Minister. Perhaps the loophole is not as big as it appears to be on the surface. We have been working with the federal government, under the CMITP, for quite some years, in dealing with people who were previously identified as "disadvantaged." These were hard-core unemployed and there was a more substantial federal subsidy to the employer for taking these people in. There have been quite a number of people placed through the disadvantaged element of the Canada Manpower Industrial Training Programme with the province providing the training services.

In addition to that, we have a number of pilot projects going—one in Metropolitan Toronto for instance—again with hard-core disadvantaged youth. It's not a big programme; We have probably put 1,000 people through this programme. It's run in co-operation with the federal government, with the local Rotary Club and with our ministry providing both technical and financial support. There is quite a bit of activity already going on in the province as far as the disadvantaged workers are concerned.

Mr. Laughren: I can only say that in the area I represent, which is largely northern with a lot of isolated communities and is semi-rural, there is very little evidence of any kind of programme insofar as the provincial government is concerned. Quite frankly, I suspect that if the provincial government moved ahead aggressively into this kind of programme and established these programmes the assistance would be forthcoming from the federal government for one reason or another. That's what happened in Manitoba and I see no reason why it couldn't happen here.

Mr. Martel: The problem is a lack of jobs.

Mr. Laughren: The way it is now, we sit in these committee rooms and we debate with the Ministry of Community and Social Services about the mean and miserable kind of assistance it provides which affects these small communities and these hard-core unemployed and people with intermittent work records. That's not the answer. We all know that. You could raise the level of assistance by a half and you will not solve that problem. There will be no rehabilitation taking place and if there is one condemning aspect of that particular ministry that surely is it. The amount of rehabilitation that goes on is negligible.

Here is a chance for this ministry to move in in an aggressive way and do something about it because that ministry never will. They're too mean and miserable in spirit to do anything along those lines.

That's all I have on that but I would offer you every encouragement.

Mr. Chairman: Mr. Lane.

Mr. J. Lane (Algoma-Manitoulin): Mr. Chairman, Mr. Minister, I do have some concerns about the apprenticeship programme or the lack of use of it in my area. As my friend from Sudbury East mentioned, he and I were on a panel together last week when this came up.

One thing that kind of startled me was one expression on that panel—that people today don't seem to have pride in their profession as they had some years ago. I can think back to the days when I was a child and went with my dad to the blacksmith shop where an old Scotsman used to put the shoes on the big horses we used on the farm. This man had started when he was about 10 years old as an apprentice to a blacksmith in Scotland. Of course, he would have tears in his eyes when he saw somebody abusing a piece of iron because he did it so well. However, unfortunately under that system it would seem that was the only thing he could do and, hopefully, under our system a person would have more choice of opportunity under the apprenticeship programme.

I think one of the things which is wrong in my area and, probably, with my friends across the street is that the employers need some kind of education programme to make actual use of these students who would like to get into this programme. I think the writer of the letter Mr. Laughren was referring to is actually the same chap who wrote to me and, with your good services, we arranged a meeting for employers.

We were able to get a little bit of funding from our ministry and I think this went a long way toward helping the problem in that area. A lot of employers did come out and we had some people from your ministry and from manpower who explained the advantages of the programme. I think on Manitoulin Island this year we'll see more students taken into the work force through the apprenticeship programme.

As a matter of fact, I now have a request from a secondary school at Elliot Lake asking if we can arrange the same type of information meeting for employers in that area, through the school, hopefully to do the same thing, to educate employers to use these students who are prepared to go into the work force through the apprenticeship programme. It seems to me that maybe there is a lack of education of the employers, more than condemning the programme itself.

As far as the Dymond committee report goes, I've heard some pros and cons about that and I've heard tonight that it's serving the purpose it was intended to serve. I'm glad to hear that. I sometimes think that if we had some people with more practical experience on these committees, we might get more worthwhile reports in some cases. I mean people who have actually been through the mill themselves, rather than people who have just read about it in their formal education efforts. But I think that in my area and, as Mr. Laughren has said, in his area, the apprenticeship programme should be utilized more; maybe it's not because of a lack of education of employers.

Mr. Chairman: Are items 1 and 3 carried?

Mr. Martel: No, Mr. Chairman.

An hon. member: No.

Mr. Martel: I want to have a parting shot at the Dymond commission.

Hon. Mr. Auld: Why don't you have it closer to the mike?

Mr. Martel: No, it's close enough. I'll raise my voice in a moment so that you won't have any difficulty hearing me.

I have another concern that goes back to the point I started to raise with respect to the reputation of the programme. My understanding of Dymond—and I am simply expressing my view for what it's worth—that if the Dymond commission is suggesting that management should be the ones who determine how many apprentices are required, and if government allows that to occur, then in fact we will see the beginning of the destruction of

what I am going to call the controls that the unions exercise to some degree on the number of apprentices that are turned out. They must have that control in some degree to ensure that there isn't such an excess that many of them don't have work opportunities.

When one looks at the other professions—except teachers, of course; they have never had a helluva lot to say about their profession; in fact, they have had no say to this date in the history of the Province of Ontario, although they are starting to demand—but other professions very zealously guard how many people are going to enter them. I am thinking of doctors, lawyers and so on down the list. They don't turn them out as we turn out teachers; we just keep grinding them out.

I have a suspicion that given an opportunity, management might be delighted to turn them out like a spaghetti factory too, because then they would be in a position of having more bodies than were necessary and would weaken the strength of any particular union to extract from the economic pie their share of the goodies of this society.

I never cease to be amazed at doctors, for example, who use the jargon about them being an association. You know, a rose by any other name is still a rose, and an association by any other name is still a union—although the doctors, the teachers and the various other groups don't want to call it that. I suppose that the university professors don't want to call it that either, Dr. Parr, but after the vote in Ottawa recently I guess they too have decided it's time they came down with a bit of a crunch too. Everyone tries to protect himself in this mad, mad world we live in.

I would hope, when you are considering that, that you don't give the employers, if I understand it correctly, the right to determine how many apprentices will be turned out in any specific field. I don't think that will serve anyone's purpose at all. I agree with the last point, and I made this point the other day when I was with my friend from Manitoulin: Those of us who were on the select committee were amazed, when we visited various European countries, by the tremendous co-operation, that doesn't seem to exist in this province. I still differ. I don't think there is much co-operation in this province. In fact, it is so remote as to be almost minuscule.

When we visited those countries, I want to tell you that we found, for example, that by law, on every board of directors, there are two trade unionists—in Germany, Sweden and so on. An awful lot more co-operation exists over there; it doesn't exist in this province or in this country. In fact, everything we do is the adver-

sary system. It really doesn't do the country a bit of good, because if you can't agree on health and safety, how in the world are you going to agree on economic planning.

There is no co-operation, or very little, and if some people think that what we have is a lot then I think we are in for a sad and a very rude awakening one of these days. Again, I just urge that we encourage more of the type of co-operation that is necessary, otherwise we just, as I say, maintain the status quo.

I want to make a point about the exams that are given. There is somebody in the ministry I have talked to frequently with respect to apprenticeship. There's a little known fact—and I am not sure why you people hide it so deliberately. I am not sure if it is deliberate. Maybe you just overlooked it because you deal with it so constantly.

Frequently apprentices from other provinces come in; they have passed an apprenticeship in another province; they speak French in several cases I have had, and you will go out and give them an on-the-job evaluation. Why don't you advertise that more—where you can give a man his papers if he has them from somewhere else and if he can do the work for you, with an examiner right on the spot to see that he can do the work?

I think that is an excellent programme but it is so little used, I suspect, and yet surely it should be just the opposite. It should be something that we are indicating to people is possible. I think it would have ended the problem of my friend, the member for Etobicoke, if one moves out to utilize that.

I can recall contacting the ministry just recently over a man who was an excellent bodyman; just superb, and he had been in it for 18 to 20 years; he taught it in one of the small colleges in Quebec. He came to Ontario and couldn't pass the exam in English. We finally got someone from the Soo up to Sudbury to have a look at him and he was just amazed at the skill the bodyman had and within weeks he had his licence to operate in the province.

Why don't we take that sort of information and make it more widely known? It would apply to the Italian community in Toronto and it could apply to others. In the Sudbury area we have 34 or 40 ethnic groups. Some of them come from Finland or from other countries. Why don't we make it better known that that sort of thing is possible in this province? I think it is an excellent programme. I put it to the minister, why don't you do a little advertising? Every other ministry of government is doing a little advertising; now there is your chance.

Hon. Mr. Auld: I was tempted earlier tonight to say that, and I thought I might evoke so much racket that I restrained myself.

Mr. Martel: But you should advertise that it is available. I tell you, it is very difficult to find out that it is possible to go that route. It just isn't well enough known.

Hon. Mr. Auld: I will take a good look at your recommendation and give you credit for it if I am able to do it.

Mr. Martel: All right. With that, you have just done me in. I'll quit.

Mr. Chairman: Shall items 1 and 3 carry? Carried. Item 2.

Mr. D. M. Deacon (York Centre): Yes, Mr. Chairman. I was concerned earlier with the matter of university ceilings and the restrictions there. Certainly I am concerned about the straitjacket that the community colleges have found themselves in as a result of four funding formulae within the past six years. The changes that those funding formulae have caused is just a crisis in management; it is just a change, time after time, and that really made it very difficult for them. It brings up again what I said earlier—I think we should be thinking in terms of block funding to these colleges and leaving them much more on their own, with definite methods of evaluation of their performance to the community, and let the community have much more control and much, much less interference from ourselves in their direction and management.

I know one example of the result of the chaotic approach to funding that they have been faced with. A student in graphic arts and advertising at Humber College now gets 23 hours in his course this year compared to 31 hours in 1970-1971, just because of the change in class sizes and the restrictions in the amount of time that the staff has available for teaching these classes. In human studies, in 1973 one teacher provided four classes of five hours each. In 1974 it was five classes he had, so he had only four hours each to give them.

Hon. Mr. Auld: This is per week, I assume you are talking about?

Mr. Deacon: Yes, that is right, these are the number of classes he taught. The first year it was a matter of 20 hours and the second year it was 20 hours but he had five classes instead of four classes to provide for. In 1975, he has six classes, so he only has three hours each.

The kids are really being cheated by this whole situation. I think we should be re-examining the whole situation that we place these

colleges in by the formula that we have continually pushed upon them and thrust upon them, and the decrease in the value and the quality of the courses that are being presented.

I think if this continues we are going to make these buildings full of empty classrooms, because they are certainly classes that are a waste of time for the students and a frustration to those who are trying to teach them. I would like to hear the minister's comments on this, because I think this is a very serious situation that's resulting from the present funding procedures.

Hon. Mr. Auld: First, I don't know how many people were in the classes when they were longer.

Mr. Deacon: The same numbers; the classroom size dictated that, and they have the same numbers.

Hon. Mr. Auld: I don't know what priority that part of the programme had in terms of the total programme that those students were taking.

Mr. Deacon: There has been an increasing demand for the programme and it is quite successful. That is one of the reasons it has gone from four classes to six classes in human studies, for example.

Hon. Mr. Auld: I mean that particular subject would be part of the programme—there would be other subjects—and I don't know how important that subject was in relation to the other ones in the total programme. Aside from that, in fact, I have said this before too, we are going to find larger classes in a number of fields and we may find that programmes which were not heavily subscribed to in one institution may be cancelled and students will have to go to another institution some distance away to get them, simply to be able to continue to offer the programme in total around the province and still be within the total number of dollars.

It really doesn't matter whether you have a formula or not; if there are only X dollars then you are only able to do so much.

The way the formula is this year there is a lot more flexibility in it, because it is in two parts. It's an 11 per cent increase on the 1974-1975 budget no matter what the enrolment, and then \$750 per student for the increased enrolment.

Mr. Deacon: As I said earlier in my opening remarks, and as I said subsequently with regard to the universities, the ministry should be assigning the responsibility for the allocation of block funds to maybe the Ontario Council

of Regents, with ministry representation, and get away from this darn formula procedure.

Hon. Mr. Auld: The council came up with that revised formula and we now have a committee of the council and the presidents of all the 22 institutions—

Dr. J. G. Parr (Deputy Minister): Representatives.

Hon. Mr. Auld: Representatives, not the presidents—and of the boards of governors and of the ministry, who are charged with the task of recommending a further change, a new approach to the financing.

Mr. Deacon: Again, I am just hoping we get away from the new approach being some formula system, because I think that's where you lose the ability to meet changing conditions.

As a ministry, you have been providing an increasing amount year after year toward operating costs. The grants for operating costs in 1973-1974 were \$121 million. They went up \$173 million in 1974-1975, and they are up to over \$200 million this year. It's not a matter that you've been cutting back, as you've been accused of cutting back. We know there is more money going in. At the same time, because of the distortion that has occurred and the changes that have occurred—four changes in formula—it is a pretty confusing situation. It causes chaos for anyone involved since they are not going to be able to plan effectively.

Hon. Mr. Auld: Plus the fact that in fairness to the colleges too, they have another sort of intangible, inasmuch as for some of them up to half of their programming is Canada Manpower, which changes from year to year, and sometimes within the year as far as demand is concerned.

Mr. Deacon: I realize that, but these things can be provided for by people who are dealing with the problem day by day. They have the ability, they know that they only have so much in total to deal with and they are working among themselves, along with a system of open evaluation of what's going on in these colleges. It is an evaluation that is not just done by in-house evaluation, it has to be checked by you folks. I can't help but feel they could do much more consistent planning and rearranging of their affairs to cope with the changing conditions, such as Manpower programming.

Hon. Mr. Auld: That's my point. I think we have to try to have an even more flexible system for the colleges, and to meet the needs of the universities, because of that other factor over which neither of us have any control.

Mr. Deacon: Absolutely; we need a report on conditions, I go along with that absolutely. But the number one thing I would hope is that you are really going to use this system and that you are going to greatly expand the evaluation processes so that information is available; and available to everybody to see just how well they are doing at St. Clair College, or it may also be at Fanshawe, so that people can see where the shifts are logical, perhaps, because of more demand in one area, in another area you can cut down. You can cut it out in Fanshawe and move it over to St. Clair or something of that sort. These are things through which, when the information is in front of a group like that and there is open discussion and leadership, I think we could get away from these darn formulae.

Hon. Mr. Auld: That's one of the advantages of the Council of Regents. Dr. Parr wanted to say something.

Dr. Parr: Mr. Chairman, it occurs to me that it might be Mr. Deacon feels the formula has to be applied in some way by each college internally, and that's not the case.

Mr. Deacon: No.

Dr. Parr: It is simply a means of distributing the funds to the colleges.

Mr. Deacon: Yes, I understand the formula is only used to determine how much a college will have. At the same time, I would think the colleges come back to you with a whole lot of cries about this or that, changes in conditions that the formula has imposed in the total amount of funding available to them. I think that in working these problems out together, if they argue out as to how much is going to go to each college, they are also going to be arguing out the internals, the shifts; and maybe then starting to do some exchanging of students or courses or things like that to help improve their efficiency in certain areas.

This is what I would hope to see develop out of this, especially if we do get rid of the formula and put the responsibility on that Council of Regents, led by your own ministry and backed by the information and evaluation that your own ministry would provide in even greater depth than it's attempting to do now; in much greater depth and on a much broader scale. I would think that would save a lot of hassle in the future and would also throw the responsibility much more to the colleges in a way that is, I think, more enlightened than the present way.

At present they have you to blame so often because the money isn't there; but money is there, as we see in the increase in total amounts

from \$121 million to \$173 million to \$201 million. That's a big increase in the amounts you are putting out, so it's a distortion when you say there is a cutback. At the same time, somehow or other we have to make certain they can see their responsibility and are given the autonomy and the responsibility to shift for themselves.

Hon. Mr. Auld: Providing, I think, there is some incentive, or at least no disincentive for colleges. First of all, not every college has all the same programmes.

Mr. Deacon: No.

Hon. Mr. Auld: There are certain programmes which are very expensive and for which there is not a great demand in terms of graduates; heavy equipment, for instance. There must be no disincentive for a college not accepting students, say from outside its own immediate area. There has to be some way we can be reasonably sure that a student who wants to take and is qualified to take a certain course, and there are only five of them in the 22 areas, is able to get admission on an equal basis to one away from home. There are certain things like that which I think we have to keep an eye on.

Mr. Deacon: Yes, no doubt there would have to be monitoring. I would also hope that courses such as the heavy equipment course will be emphasized in areas where there is a great degree of co-operation from local people in the heavy equipment business. It will provide a course at a lower cost and more effectively than in an area where they have to buy all equipment and have it outdated in a year or two or three.

Hon. Mr. Auld: And where there is the likelihood of a high rate of employment for graduates of the course, because that varies a bit, too.

Mr. Deacon: Yes, it does, but at the same time that shouldn't necessarily be the location of it. It is a matter of being certain that the right sort of course is available, and is available sufficiently close to people in the province who want to take it so they don't have to move to some other point at great cost to themselves. Those are the main points I wanted to get on this whole vote. That's the main point right now. I will come back maybe with something else later.

Mr. Chairman: Who in the NDP wishes to speak? Is item 2 carried?

Hon. Mr. Auld: Floyd, I thought you said you had a word, something about college—

Mr. Laughren: Yes, I have one or two.

Mr. Martel: A large word.

Mr. Laughren: I always wonder, before I make a few comments, who runs the colleges, whether it is the minister, the deputy, Herb Jackson or Norm Sisco? Is it possible to indicate who is the real power there?

Hon. Mr. Auld: I am not sure I can remember the names of all the board chairmen and board members and presidents, but I will try.

Mr. Laughren: No, I am talking about direction from the Ontario government.

Hon. Mr. Auld: The colleges operate in a general way under the mandate they were given when they were established. The Council of Regents co-ordinates and authorizes new courses and is a pretty good liaison and exchange ground for ideas and what not. The main thing is it works so well.

Mr. Martel: I was just going to say it sounds like it's floundering.

Hon. Mr. Auld: You can't accuse me of even having a finger in it.

Mr. Laughren: That's the most optimistic comment I have heard about the future of the colleges for a while. I am concerned, as I always have been with the colleges, about the kind of direction they are going in. I think they have lost their whole purpose and the reason they were created. The tremendous potential that was there in the colleges has not been realized.

Education in Ontario still really isn't open and I don't think that's something even the minister would dispute. When I think of what the possibilities are at the post-secondary level to make education more open, I think of things like the whole Frontier College approach to education. I think of the possibilities in community development which could also be a part of education; the whole contract learning approach that's used by Empire State College in New York—correspondence courses either by writing or cassettes; or television and radio; the possibility of the colleges to play a role in the transfer of students between the high school and the university, not as a single role but as one of their functions.

And also the tremendous potential of the colleges to help the disadvantaged and to deliver education to groups which previously had no access to it. I'm thinking of our native peoples and a lot of franco-Ontarians in the province, and in particular those people in northern communities; and if I might add, housewives who've always found it very difficult to get a post-secondary education once they are married and raising a family.

I'd like to quote from a very prestigious document, if I might, from the select committee on the utilization of educational facilities; it is their interim report No. 3. This was a committee of all three parties, of which I was a member, and this is what the committee—

Mr. Chairman: Don't forget Mr. Foulds was also a member.

Mr. Laughren: Yes, Mr. Foulds was a member as well. The select committee looked at a report put out by the Ministry of Colleges and Universities, called "The Critical Juncture," of November, 1973. And this is what that report had to say:

Those students who plan on going to university differ markedly from all other groups of students. [Referring to the kinds of students who need a post-secondary education.] They tend to be male, rank high on social class background and come from urban areas; believe they have ability to graduate from university, have the grades to back up this claim and possess higher occupational aspirations than students with other kinds of plans.

Students who intend to go to a community college contrast sharply in all the aforementioned characteristics. They tend more to be female, come from less prestigious backgrounds, possess fewer illusions concerning either their ability to graduate from university or obtain very prestigious jobs. Their grade point averages also tend to be lower than those of university-bound students.

There's a case where the report put out by this ministry indicated there appeared to be a distinction between the kinds of students who were going to universities and those going to community colleges. I think that was the tip of the iceberg they detected. There was a difference there and they were talking about tapping, I think, anyway, a very large number of people in the Province of Ontario; unfortunately the potential to tap an increasingly large number has been lost since then.

That's where it stopped, that's where the potential of the colleges was aborted, because of the institutionalization of the system. That's why I'm so terribly critical of the Ontario Council of Regents. I think they have miserably failed in the mandate given to them by the present Premier of the province (Mr. Davis).

Hon. Mr. Auld: But interestingly enough, Floyd, while full-time enrolment increase is sort of levelling off, the extension work is still shooting way up—I think it jumped 22 per cent last year.

Mr. Laughren: That's true at the universities.

Hon. Mr. Auld: No, I'm talking about the colleges.

Mr. Laughren: Yes, but I'm saying that's not unique to the colleges. It isn't as though only the colleges were doing that.

Hon. Mr. Auld: Oh no. The same thing applies for the universities, not quite as substantial an increase, and in different kinds of courses naturally, because there are different kinds of courses offered.

Mr. Laughren: Right. I realize there are tremendous pressures on the community colleges not to diversify too much—I read the headlines too about critics of the community colleges saying they're offering Mickey Mouse and basket-weaving courses. Yet the mandate of the colleges was to cater to cultural, educational, social and economic needs of people in the Province of Ontario. It wasn't just to provide a formal post-secondary education. I think the colleges have to resist those kinds of pressures. For example, I know that the president of more than one college in the Province of Ontario—well, St. Clair College to name one, when I asked him about why there was no general arts and science programme at St. Clair College, he said: "There is no employment opportunity. There is no demand for those graduates." That immediately translated the job of the community college to be provision of jobs for its graduates.

I think the day has gone when we view a post-secondary institution as being primarily responsible for fulfilling that role. I think that is wrong. It is almost like water seeking its own level.

I think when you offer the programmes people want your institution will be a success. People like some of the presidents are refusing to do that. The Council of Regents, as a matter of fact, issued a directive a couple of years ago that there was to be a limit on enrolment in the general arts and science programme. I'm not sure whether it was the colleges branch of this ministry that issued the directive or whether it was the Council of Regents, but certainly the word came down that was to be the case.

That is why some of the colleges don't offer the general arts and science programme, which in this day and age I think is ridiculous. It's not just a feeling I have about the Ontario community college system, I've done a little reading on other community college systems. The one in Saskatchewan is the one that appeals to me the most, because I think they have the right idea in terms of what the objectives of a community college system should be.

The guidelines laid out for them were the following: Priority to rural regions; existing facilities to be used; minimum permanent staff; local people as staff; extensive use of media; programmes based on need assessment; informal community-based programmes; and provincial libraries as resource centres.

I think those are really good guidelines for a community college system. I really regret the way the community college system in Ontario has developed.

I'll tell you what the committee found out about the Saskatchewan community college system:

The community college system was conceived as a learning system which would be so much an integral part of a community that no single set of buildings or group of people would be considered the college campus or the college staff. The community would be the campus and those in the community with knowledge and skills would be the staff. A college would manifest itself wherever learning programmes were offered, whether in a farm house, a community hall or a church basement or a school facility.

This is quoting from "The Community College System in Saskatchewan."

The community college would have a special concern for the less privileged, less articulate and less motivated within communities. The college would aim to create a climate of support and a sense of community for those who previously had neither.

A community college would not grant degrees or diplomas. Formal education programmes would be contracted as required from existing educational institutions. Existing services would not be duplicated. The aim is to maximize use of existing resources. The provincial library system would act as the resource distribution system for the community colleges.

I think that is an important part of the Saskatchewan programme. The more we on the select committee looked at the whole question of community colleges and virtually the whole report dealt with that—the more we found a number of recurring themes as we went about the province.

I think they are worth repeating:

The realization of the need to broaden the educational environment; the feeling that the conventional approaches to post-secondary education with a fixed curriculum pursued in a given sequence of fixed time and in a fixed place, does not meet everyone's educational needs; recognition that there are certain groups in each community that are not in

touch with the educational opportunities that presently exist.

In each proposal, priority is given to specific groups. In some cases, the problem may be defined in terms of rural population, in others urban. In most cases, the problem involves poor and otherwise disadvantaged people. In many cases, women constitute an important group. There is the realization that adults who have full-time responsibilities at work and at home often cannot attend lectures on campus on a normal or regular basis.

There is the need for innovative and non-traditional alternatives to the conventional approaches to post-secondary education; recognition that external off-campus studies should be eligible for credit toward a university degree; concern in developing such alternatives to emphasize individualized and independent learning and self-direction, with adviser-mentor support to the students at all ages; belief that students should take on responsibility for outlining their own programme goals and learning objectives—and I think that should be emphasized as well.

There should be provision of educational opportunities when and where the need exists. Flexible timetables should be possible and a flexible year-round calendar should be basic to alternative educational programmes. A modular basis for planning should be developed. Regional learning centres to support the individual student should be developed in existing community facilities where possible. There should be exploitation of multi-media communication methods for post-secondary education to expand educational opportunities, particularly in the development of support study material designed at a modular basis, emphasizing efforts to expand educational opportunities; utilization of existing facilities and resources. The creation or existence of residential campuses is not at all essential to the educational process; inventories of community learning resources, however, are. Part-time community faculties in addition to full-time teaching faculties should be developed as an educational resource for individual students. There should be acceptance of open admission policies which do not require a specific academic standing in a prior phase of education. And, finally, development of evaluation procedures for the granting of degrees or diplomas which place less emphasis on academic grading and greater emphasis on the development of competence in a number of areas. Prior life experience, other than academic achievements, should be recog-

nized in both admission and evaluation procedures.

I know that that's the kind of sense we got as a committee to what the community college system should be trying to do. We outlined a number of groups who should have a larger say in the way that a college system should be developed. They included the physically handicapped, women, franco-Ontarians, native peoples, community groups, those people on social welfare, the labour movement and people interested in adult and continuing education.

I could remind you, Mr. Chairman—and every time we enter into these estimates I remind the ministry—what those basic documents said about the colleges back in 1966. The colleges were to offer courses and programmes ranging from technical courses through to para-professional, commercial and business studies to general and liberal education, to recreation, cultural and leisure activities. Above all, the programmes were designed to meet the needs of the local community. The potential for openness in education through the community colleges was substantial. This is quoting from the select committee report now: "Unfortunately however, we do not believe that this potential has been developed to any real extent. The flexibility envisioned in the basic document, especially, seems to have been lost." I think that's one of the more serious losses in post-secondary education in the Province of Ontario.

I think what bothers me most is that despite the problems in the community colleges that we've had, both at an administrative level and at the student level, because of the attrition rates being so remarkably high in the community colleges, the ministry doesn't seem to change. It seems to encourage change within the colleges.

I know all the arguments about the colleges going out into the community, about the number of extension students, about the restrictions on their financial resources and how the ministry does not provide any kind of funds for innovative programmes. I understand the problems that the individual colleges are operating under. What I don't understand, however, is why the ministry insists on perpetuating the kind of institutionalized education that we have now in the colleges. Why don't you break out of that?

Sudbury is a good example; where you have a community college, and a university, and you have them both highly institutionalized. At least the community college is getting out more and more into the community, but it is still centred around an institution. I am not sure how you get around that now, once you have built these multimillion dollar extravaganzas.

Mr. Deacon: Twenty-seven million dollars for debentures and interest.

Mr. Laughren: I just think that when you impose the capital spending moratorium on the colleges that you are six years too late, maybe seven years too late. Anyway, the moratorium should have started when the colleges started, and you should have used the kind of approach that Saskatchewan has, with those kinds of guidelines.

My goodness, I don't know how much you have spent on land or on buildings. I don't even dare ask you who the land was bought from in the development of all those colleges, or we will have another select committee inquiry. I just think it is time that the ministry saw the error of its ways and gave the colleges a different direction, and provided, through the Council of Regents, some leadership that they have not had in the past. I wish that Mr. Sisco was here tonight. He usually is; what happened to Mr. Sisco?

Hon. Mr. Auld: I think he is in Calgary or Saskatoon.

Mr. Laughren: Well, if he is in Saskatchewan, he can't do anything but learn.

Hon. Mr. Auld: He must have a sixth sense.

Mr. Laughren: That's wrong—Mr. Sisco could do something other than learn. I take that back. But I do wish he was here to talk about the role of the Council of Regents, because I think that is where part of the problem is; not entirely, because the Council or Regents gets its mandate from the ministry; that's the ultimate responsibility right there.

I would appreciate knowing if the ministry is at all concerned about this, or whether I am the only one who sees the colleges in this light. Do you have any kind of group within the ministry working on the role of the colleges; whether or not you have looked at the select committee report and have seen what the select committee, after a considerable amount of work, saw as being the problems with the college system, and why the select committee would not say that the community colleges be the ones who develop an open educational system in Ontario, rather than creating a whole new bureaucracy; why not use the existing ones?

Mr. Chairman: I think you have generalized, because I think if you had taken a look at the programme of Sir Sandford Fleming in the Haliburton area in particular, you would have had a completely different concept. You would have found that several of the things you are talking about have already been in existence

for several years, and that was generated basically by the community approaching Sir Sandford Fleming and them coming in with the technical assistance. You will find that people travel 65 miles in a morning for the educational facilities at Haliburton in the summer months.

Mr. Laughren: They drive where to where?

Mr. Chairman: They drive from Lindsay, they drive from all over Victoria county to Haliburton, and they take part in all sorts of arts and crafts; school children, people at their cottages from Toronto, take their children there for the summer courses at the school of fine arts. You will find that art—and all the different forms of art—all these things are all open. The students at Sir Sandford Fleming build buildings as a part of their course; they bring them up there and they use them for the classrooms; it's an integrated overall approach. You generalize, but I think you will find that what you have said isn't true at Sir Sandford Fleming, and I have to defend them.

Mr. Laughren: Of course I generalize. There is not a college in the Province of Ontario that isn't doing some of the things that Sir Sandford Fleming is doing. I don't deny that for a minute.

I have had letters after the estimates—every year I have had letters from one or two or three college presidents saying: "I read Hansard"—which disappoints me in the first place, the fact they are reading Hansard—but anyway they have read Hansard and they say: "You are dead wrong. This is what we are doing," and so forth.

And I appreciate that they are doing things. I know some of the things that Cambrian College is doing as well. But I also know that it is basically an institutionalized form of education—and that is not what a community college system should be—compared to the kind of guidelines that Saskatchewan has.

Hon. Mr. Auld: How far have they got along with their programme?

Mr. Laughren: In Saskatchewan?

Hon. Mr. Auld: Yes.

Mr. Laughren: I don't know much more than what I have told you already.

Hon. Mr. Auld: It is a relatively new approach. When did they issue the guidelines that you reported on?

Mr. Laughren: In 1972. There was a report tabled in Saskatchewan indicating that the community college system should be centred in four major metropolitan areas.

Hon. Mr. Auld: I understand there are four committees. I suppose those would be the areas.

Mr. Laughren: But they changed that. In 1972 they came out and said, "No, as a matter of fact there will not be a community college in any of those four metropolitan areas. We are going to use the other approach."

Now Saskatchewan is not Ontario in terms of its population spread, I appreciate that. Saskatchewan has three or four urban centres and is largely a rural province. That explains some of the rural emphasis of the community college system there. But I think that the philosophy of a community education is what I am really getting at. I don't mean to belittle what Sir Sandford Fleming College is doing in the Haliburton area.

Mr. Chairman: I just mentioned that in particular. I know of others.

Mr. Laughren: Yes, but every college is doing good things. I don't want to belittle that.

Mr. J. F. Foulds (Port Arthur): That is a generalization I am not sure I'd accept.

Mr. Laughren: They are all doing some good things—

Mr. Martel: Now you have qualified it.

Mr. Laughren:—and I just feel very strongly.

Interjection by an hon. member.

Hon. Mr. Auld: I missed that. What?

Mr. M. Cassidy (Ottawa Centre): I said they were until you stepped in this year. Any good things have been squeezed dry by the dead hand of minister.

Mr. Laughren: But before we get into specific problems of colleges, administrative problems and so forth, I would appreciate knowing from the minister, or from Mr. Jackson just how the ministry feels about the community colleges.

Hon. Mr. Auld: I think they are doing an excellent job. I think they will expand in the area you have been talking about. I am not sure it will expand terribly rapidly, just as I don't think the colleges themselves will be able to expand as rapidly for the next few years as they have in the last few.

Mr. Deacon: Unfortunately in the past, as he said, the expansion was in the form of physical facilities more than anything else. That is where the extra costs were.

Hon. Mr. Auld: Yes, and if you are going to be teaching welding in Thunder Bay it is very hard to do it outside in the wintertime.

Mr. Deacon: I realize that.

Mr. Foulds: There were a lot of buildings they were using before they built that mammoth super-structure there.

Mr. Deacon: This is a continuous—

Mr. Foulds: They could have continued—

Hon. Mr. Auld: I was in one of them. As a matter of fact, I was there just after the fire marshal. And I was glad I was never there in the wintertime because how in the world they could have operated without the upper wall open and still been able to breathe I don't know. However, I throw that in.

Mr. Foulds: Wouldn't it be cheaper to adapt the building than to build an entirely new structure?

Hon. Mr. Auld: I think we were talking about a capital programme.

Mr. Deacon: That's right. But the capital programme—

Mr. Foulds: And it is probably outside this vote.

Mr. Deacon:—with some modification is so much lower than what we now are responsible for in the form of \$27,612,000 this year for debenture interest.

Hon. Mr. Auld: Oh, there is no question about it. In fact what has been approved since the moratorium in the last few years is space which, per square foot, even with inflation, is less costly than some of the things that were built originally.

Mr. Deacon: I hope so. Their architects—but at the same time there is a lot of existing space within communities that we haven't really utilized.

Hon. Mr. Auld: In some; in the larger communities. In the smaller communities it is a real problem. You can't rent anything unless you are prepared to rent for say, a 25-year period. So somebody is going to build it for you.

Mr. Deacon: Use the church basement.

Hon. Mr. Auld: In that case you are better off to build it yourself.

Mr. C. J. S. Apps (Kingston and the Islands): Mr. Chairman, you think many of these things that you look at in Toronto are so simple. When you get out into an area such as Cornwall, for

instance, which has been without adequate facilities for many years, ever since the college started, you should go and tell them. Go and tell the NDP member there that they shouldn't have the facility they require down there; they shouldn't build it. It's a pretty difficult thing to do, because they need it.

They may not need it here in Toronto and they may not need it up in Thunder Bay, I don't know, but they do need it in Cornwall. So you just can't say this is a hard and fast line and you shouldn't have any capital expenditure; because in some places it's absolutely necessary in order to carry on the programme they're trying to do.

Mr. Deacon: They never had any.

Mr. Laughren: I would say this—as a matter of fact, I will quote exactly from the speech that was made to the International Institute of Community Colleges at Lambton College, Sarnia, on June 11, 1974, by Ronald L. Ferris, Ph.D., special adviser on college affairs and educational communications, the Department of Education, the Province of British Columbia.

He's talking about the Saskatchewan programme. I believe this man went from Saskatchewan to BC. Perhaps he's moved fairly ideologically comfortably from one to the other, I'm not sure.

Hon. Mr. Auld: If that is the case he may be moving again.

Mr. Laughren: Yes, to Ontario. He said:

The choice was to use existing facilities or do nothing. It was estimated that scrapping buildings and campus type approaches to college services could save at least \$40 million in capital costs, as well as millions of dollars in operating expenditures. The advisory committee opted for money for programmes rather than buildings. The committee was acquainted with many of the problems encountered in the traditional educational system. Its hope is that the initial emphasis on community education and development, the use of local people in its process, and the creation of small administrative and professional units in the college system will reduce [get this] if not prevent early organizational institutionalization and ossification.

Nothing could describe the community college system in Ontario better. This gentleman is trying to tell you that. But engaging the minister in some kind of debate that hasn't got anything to do with BIUs, or the cost of a building, is a useless exercise, because, for some reason, you just assume that the Tory way is right and if you put up a building that every-

body can see the people will be happy and that, indeed, as the member for Kingston and the Islands said, they have been conditioned to believe that they need it.

Mr. Apps: Check with your own member.

Mr. Laughren: Who is my member?

Mr. Apps: From Stormont, Cornwall.

Mr. Laughren: Oh, I see what you mean.

Mr. Apps: Ask him what he thinks about it.

Hon. Mr. Auld: He mentioned it in his conversations with me almost weekly until we got it approved. That was the impression I got.

Mr. Laughren: You know why, because you go down there and you promise the people in Cornwall that you're going to put it up, after you create a campus, so that the programme—

Mr. Martel: Watch the next election, Billy the Kid.

Mr. Apps: Surely if the member for Stormont (Mr. Samis) shared your philosophies he would be arguing against it.

Mr. Laughren: Not at all.

Mr. Apps: I don't think he is.

Mr. Laughren: You are the people who created a college system that required buildings. Once you do that, of course you require the buildings to house your people. That's why I'm going back to the original purpose of the colleges.

Hon. Mr. Auld: Floyd, you've got to go to the head of the class for rationalization. I'll tell you, that's the best one I've heard for a long time.

Mr. Laughren: I've been trying to tell you that right from the beginning, that once you start you've got the ossification and you've got the institutionalization. That's what this man is trying to tell you.

Hon. Mr. Auld: Your comment a moment ago was magnificent.

Mr. Laughren: It may be magnificent but it makes a hell of a lot more sense than the way you've developed the college system in Ontario. Where's your justification for creating duplicate extravaganzas, as my colleague said, set in splendid isolation and lacking everything except the moat to make them truly medieval?

Mr. Apps: Mr. Chairman, statements like that sort of turn you off. You wonder what you're down here for, because—

Mr. Laughren: I hope so.

Mr. Apps: —that's a generalization. You don't know what you're talking about.

Mr. Laughren: I certainly do know.

Mr. Apps: No, you don't know what you're talking about.

Mr. Foulds: The member has visited more community colleges across this province than you have. We did on the select committee and most of them are isolated from—

Mr. Apps: He may have.

Mr. Foulds: the community by at least several miles, and they are built like fortresses and they aren't readily accessible to the public.

Mr. Apps: And they're doing an exceptionally good job for the most part.

Mr. Foulds: Those who are doing a good job are doing so in spite of the buildings, not because of them. Often they have to overcome the isolation of the buildings so that ordinary people in the community will use the facilities.

Mr. Laughren: Now there's a generalization if ever I heard one: They're doing a fairly good job for the most part.

Mr. Apps: That's right. There are a couple of things—and I'm going to bring one of them up—where I think they haven't done a very good job, but the proof is in the people who are attending. They have had a very good response to that and they have had a very good response to the programmes they are operating.

Mr. Laughren: There might be some proof in the attrition rates of the colleges too.

Mr. Apps: Well, that could be.

Mr. Laughren: Well, what are the attrition rates now?

Hon. Mr. Auld: Eighty-seven per cent success.

Mr. Martel: Boy, you were quick to jump.

Mr. Laughren: I will tell you something: I don't believe you.

Hon. Mr. Auld: I just happen to have that here.

Mr. Martel: Dr. Parr just got a raise.

Mr. Laughren: Sure as hell those figures are not accurate.

Hon. Mr. Auld: Cambrian is 86 per cent.

Mr. Foulds: That's the attrition rate? Is that the number of people who drop out?

Hon. Mr. Auld: Centennial is 94 per cent.

Mr. Laughren: That is a lot of nonsense.

Hon. Mr. Auld: Algonquin is 87 per cent.

An hon. member: How about that?

Mr. Laughren: Those figures are a joke. You cooked the books again. Those are not accurate figures.

Hon. Mr. Auld: They are based on the audited enrolment and the people who complete each year, and 87 per cent completed the year.

Mr. Laughren: Now comes the rationalization.

Mr. Martel: Completed the year?

Hon. Mr. Auld: Yes, and the reason they leave is they get a job and maybe they come back in two years to complete the second part.

Mr. Laughren: That's like saying a watch is guaranteed for life—for the life of the watch.

Hon. Mr. Auld: I am sorry but you will have to accept those because those are the figures.

Mr. Laughren: Those are the figures all right.

Hon. Mr. Auld: Mohawk and Niagara are 90 per cent.

Mr. Laughren: Let me interrupt for a moment. A year ago the attrition rates were over 50 per cent in all the colleges.

Hon. Mr. Auld: The Sault was 97 per cent.

Mr. Laughren: They were 52 per cent across the whole system. They are your own figures.

Hon. Mr. Auld: Canadore is 94 per cent. Centennial is 94 per cent. That is pretty good.

Mr. Laughren: I am quoting his figures. There was a 52 per cent attrition rate in all the colleges. Centennial College was over 70 per cent. Now he is telling me that he has an attrition rate of six per cent and 12 per cent. It is a lot of nonsense. He is cooking the books.

Hon. Mr. Auld: Perhaps Herb Jackson might pursue that a little further.

Mr. Martel: I hope so.

Mr. Laughren: I wish Norm Sisco were here.

Mr. H. W. Jackson (Director, College Affairs Branch): Mr. Chairman, one trouble with using

the term "attrition" is that it assumes the objective of attending a college is to get a diploma, because this was the basis on which the computer was measuring the attrition.

Mr. Laughren: Here comes another.

Mr. Jackson: On that basis, of course, there were a lot of people who were attending college to get a certain amount of education to meet career objectives and they did not necessarily complete the programme at one particular point in time so that on the basis of attrition they would be counted in that total figure. But when you look at the people who actually complete their educational objectives each year and those who leave early because they have a job offer that meets their expectations, the attrition figures do not give you an accurate picture. This is why we turned it around to take a positive view.

Mr. Martel: Oh, yes, you sure turned it around.

Mr. Laughren: You are too much.

Mr. Martel: You mean somebody quit.

Mr. Laughren: Rather than using terms like, "When the student's educational objectives have been met in the middle of the term," or, "At the end of one year of a two-year programme or of two years of a three-year programme," why don't you tell us what the real attrition rate in the colleges is?

Mr. Jackson: The attrition rate then is the reciprocal of the figures that the minister quoted.

Mr. Laughren: No. Tell us what percentage—let me finish—

Hon. Mr. Auld: Let me ask you a question. How would you judge the totally open system that you are talking about in terms of success?

Mr. Chairman: It would be open-ended.

Mr. Laughren: Yes, that is a good answer.

Mr. Deacon: I suppose the way to judge it is by a person setting out what his objective is in the enrolment course—

Mr. Martel: Does the hon. member for Oxford supply shovels over at that place?

Mr. Deacon:—and then measuring how many of those actually do complete their objectives.

Mr. H. C. Parrott (Oxford): If we did, you would be out the door.

Hon. Mr. Auld: Would you give them a chance to change it in mid-stream?

Mr. Deacon: If he changes his objective in mid-stream, I suppose you would want to find out whether it was due to the fact that he didn't get what he was looking for or there was some other thing that was wrong so that he still couldn't count on getting his objective.

Mr. Laughren: The point is, Mr. Chairman, you don't have an open education system. Don't try and use the same kind of method of measuring there that you measure here. What I would like to get through to the minister—

Hon. Mr. Auld: Supposing we had one, how would you measure it?

Mr. Laughren: Mr. Minister, would you answer this question?

Hon. Mr. Auld: Well, answer mine first.

Mr. Laughren: Next year you can ask me the questions. This year I'll ask you.

Mr. O. F. Villeneuve (Glengarry): That is the best joke of the night.

Mr. Chairman: You can make believe that you are going to be answering questions someplace, but it may not be here.

Mr. Laughren: It might be in the front of a classroom. He might still be here.

Interjections by hon. members.

Mr. Laughren: Now would you answer this question then: What percentage of students who enter into a programme complete that programme, whether it be one year, two years or three years?

Mr. Jackson: If I may, Mr. Chairman, I will read you the figures for the spring term of 1974. There were 45,906 full-time students enrolled in the career-oriented programmes. That year 12,908 graduated with a diploma; another 18,902 completed their first year or second year successfully and then potentially would be going on into the following year; another 6,649 passed the year conditionally, meaning they could continue with the programme but had supplementary examinations to clear up; a total of 1,539 dropped out of the course before its completion to take employment. That left 6,263 who were attrition, according to the formal definition of attrition.

Mr. Martel: Wait a minute. What do you do with the 1,539? You don't add them on to the 6,263 you consider attrition?

Mr. Jackson: No, I don't think it is fair to do that because they were leaving voluntarily—

Mr. Martel: Oh, no, no. They just dropped out.

Mr. Jackson: No, they left because they wanted a job opportunity.

Mr. Martel: What you've got though is over one third of your 45,000 who either only passed conditionally, dropped out, or were considered attrition. That's not bad.

Mr. Foulds: There is even, I may say, a hooker in the 18,902 figure of those who completed their year, and you have no statistics about whether or not they returned to complete their course.

Mr. Cassidy: That's right.

Mr. Laughren: Now, you see, the ministry knows full well, because two years ago you computed accurate attrition figures.

Mr. Martel: Jesus Christ.

Mr. Laughren: You got flak from it in the media and you now refuse to compile the statistics in the same way you did then. That's exactly what you are doing and that's why you are doing it. Otherwise it is very simple for you to tell us, in the spring of 1974, how many people graduated from a three-year programme who would normally have graduated in 1974; how many people graduated in 1974 after two years in a programme, compared to the number who began it; and how many graduated from the one-year programme, compared to the number who began the programme that previous year. Now, that is not a difficult concept for you to tell us.

Mr. Jackson: No, Mr. Chairman, it is not difficult; but I suspect that is contradicting a concept that you have been trying to impress upon us in that—

Mr. Martel: You just didn't—

Mr. Laughren: You don't listen to me, so don't use my arguments that you don't listen to.

Mr. Jackson: No, the assumption that you trace everyone straight through to conclusion is the assumption that you are supposed to stay in school until you complete your education.

Mr. Laughren: That's your assumption, not mine.

Mr. Martel: I look at those figures and the figures the minister started to blabber about, the 94 and the 96 per cent and all the Tories came to the defence and said, "Aha." You just have to look at it; and only an idiot would suggest that—

Mr. Parrott: Are you suggesting it?

Mr. Martel: No, I didn't.

Mr. Parrott: Oh, I am surprised.

Mr. Martel: Only an idiot would suggest that 94 per cent succeeded at this college and that college and the next college.

Mr. Parrott: However, he qualifies.

Mr. Martel: Those figures make a liar out of whoever is trying to fob them off on us, Mr. Minister.

Mr. Laughren: Would you tell us this. In the spring of 1974 there were students who enrolled in the fall of 1973—right?—who would graduate in the spring of 1974. One-year programmes. Would you tell us how many people enrolled in that one-year programme in the fall of 1973 and how many graduated in the spring of 1974? That's the first request. That deals with one-year programmes.

Second request, dealing with two year programmes. How many people who enrolled in a two-year programme in the fall of 1972 graduated in the spring of 1974? How many people enrolled, how many people graduated, from the fall of 1972 to the spring of 1974?

Third request, dealing with the three-year programme—those students who enrolled in the fall of 1971. How many enrolled in the fall of 1971 in the three-year programme, and how many of those students graduated in the spring of 1974?

We are talking about one, two and three-year graduates in the spring of 1974. What percentage of those students who enrolled in those one, two and three-year programmes in the fall of 1971, 1972 or 1973 graduated in the spring of 1974?

Mr. Martel: I don't blame the member for Oxford for leaving.

Mr. Laughren: Is that perfectly clear about the statistics that I am trying to get from you? Can you tell me that?

Mr. Jackson: I can get it for you.

Mr. Laughren: How fast? Is it not in your book right now? I am angrier than ever about Campus 8.

Hon. Mr. Auld: We are not plugged in there tonight.

Mr. Laughren: Not plugged in, period.

Dr. Parr: May I just correct one point which Mr. Martel has touched on? I think when he

spoke of one-third of the people getting into related jobs, he was assuming the figure was 15,000. It was 1,500 on 45,000, a factor of 10 difference.

Mr. Martel: Would you repeat that? Give it to me slowly.

Hon. Mr. Auld: We will get it back from Hansard.

Dr. Parr: You said that you think the number who went into related jobs was 15,000 and you related that to 45,000—

Mr. Martel: I am saying that those who dropped out or where attrition comes roughly to 15,000 out of the 45,000 you started with. You have 6,640—I copied the figures down—who passed out but would have to carry something, or passed on or whatever you want to call it; 1,500 who dropped out and the other 6,263 who are legitimate attrition rates. When you add it all up that gives you about 15,000 who somewhere along the line flubbed. When you take that 15,000 roughly and compare it to your total 45,000, you are talking about one-third at least. The point I was trying to make is that that hardly represents the 94 per cent for this one that the minister was talking about and 92 per cent for that one. It is just impossible.

Mr. Chairman: You are interrupting your colleague, Mr. Martel. Mr. Laughren has the floor.

Mr. Laughren: Mr. Chairman, rather than listen to any more of this nonsense with figures, I move the adjournment of this committee until we get those figures.

Mr. Foulds: I second that motion.

Hon. Mr. Auld: We can get the figures for you tomorrow. There is one thing that we will have to add in there though because we are now finding that we are getting people from two and three-year courses who complete a year, and then to go and work for a couple of years, who are now coming back. We will try to add that in too.

Mr. Foulds: Overnight, so we can try to have it.

Mr. Laughren: I don't think the motion is debatable Mr. Chairman.

Hon. Mr. Auld: I would like to continue until 10:30.

Mr. Chairman: I will have to put the motion to the committee.

Mr. Martel: Are they all voting delegates over there?

Mr. Apps: Mr. Chairman, may I comment?

Mr. Chairman: You can comment on it, yes.

Mr. Apps: Mr. Chairman, there are many other items in this vote other than what you are talking about. There are some items that I would like to bring up that don't pertain to these figures that the other gentlemen are trying to get or are discussing. I don't see why we should adjourn this meeting just because of a couple of figures they can't get.

Mr. Laughren: We are not getting straight figures.

Mr. Apps: They will be made available to you at a later date, as the minister has indicated. I think you are being pretty arbitrary about this.

Mr. Chairman: A motion for adjournment is always in order.

Mr. Apps: There are other people who would like to ask questions about the ministry other than the members of the New Democratic Party and this is the place to do that. I don't see any reason at all to adjourn the debate just because you can't get a couple of figures that were promised to you.

Mr. Laughren: They won't give them, but they have got them.

Mr. Apps: It is my understanding that he said that he would give them.

Mr. Chairman: Mr. Laughren has moved that the committee rise until tomorrow at 10 o'clock.

Mr. Foulds: No, just a minute, that was not the motion.

Mr. Chairman: Yes, but that is when we are going to sit again. I added that.

Mr. Foulds: You can't. The motion was that we adjourn until those figures are made available to the committee.

Mr. Chairman: Mr. Laughren's motion is that the committee rise.

Mr. Foulds: No, the motion was that we rise until those figures are made available to the committee, Mr. Chairman. You cannot in conscience accept only part of a motion.

Mr. Chairman: I don't think a conditional motion of that sort would be in order. I think the motion to rise is in order.

Mr. Deacon: I think it is in order for us to deal with a motion as presented by the mover.

Mr. Chairman: We will deal with it as he moved it then.

Hon. Mr. Auld: We might be able to have it for you by midnight, if you are prepared to come back.

Mr. Martel: Is that tomorrow night?

Hon. Mr. Auld: No, no the motion was to—

Mr. Martel: You are so slippery with the figures, I am not sure if you mean tonight or tomorrow.

Mr. Chairman: We will deal with Mr. Laughren's motion that the committee rise until certain figures that he has requested are presented.

All those in favour of Mr. Laughren's motion say "aye."

How many do we have who are actual members? Three.

All those opposed say "nay."

Mr. Martel: How many from that side of the House are actual sitting members?

Mr. Chairman: Four; four to three.

Mr. Martel: Mr. Chairman, before you take the vote, are they all bona fide members of this committee with voting privileges?

Mr. Charman: Yes, they are. Mr. Root did not vote.

Mr. Martel: That is only three, then.

Mr. Chairman: No, there are four—Mr. Deacon.

Mr. Martel: Mr. Deacon didn't support our motion?

Mr. Deacon: That's right.

Mr. Chairman: No.

Mr. Martel: You dog in the manger.

Mr. Deacon: I want to hear what Syl Apps has to say.

Mr. Chairman: I declare the motion lost.

Mr. J. Root (Wellington-Dufferin): You should have stayed up in the House tonight—only one NDP member present of their number; five per cent there. What are you talking about, attrition?

Mr. Laughren: Well now, there is a man I am going to listen to, Mr. Chairman. Any man

who earns more than the Premier of the Province of Ontario should be listened to.

Mr. Root: That is a deliberate falsehood, too, and you know it.

Mr. Chairman: Order, please.

Mr. Root: You are not that stupid. You've been told time and time again.

Mr. Cassidy: You spoke very convincingly on that resolution yesterday and I'm glad to see you here now.

Mr. Chairman: Order. Those are not items before us at this time.

Mr. Root: Put it right on the record you are lying and if that is not parliamentary, tell me what is.

Mr. Chairman: I'll rule you out of order as I will the other members.

Mr. Martel: John, watch your blood pressure.

Mr. Root: I don't like people who deliberately lie and know they are lying.

Mr. Martel: Would you make him withdraw that statement, Mr. Chairman?

Mr. Root: Well, you tell me the parliamentary way to call a man a liar and I'll use that.

An hon. member: But he doesn't have to withdraw it.

Mr. Martel: Well, Mr. Chairman, not withdraw—

Mr. Laughren: Are you denying that you earn more than the Premier?

Mr. Root: Yes.

Mr. Laughren: Since when? Since you stepped down from the Environmental Hearing Board?

Mr. Root: I never earned more than the Premier and you know it.

An hon. member: Quit your lying.

Mr. Laughren: How long have you not been a member of that committee?

Mr. Chairman: Order! Mr. Laughren, I have to tell you that you have to accept the statement of a member.

Interjections by hon. members.

Mr. Martel: Mr. Chairman, on a point of order.

Mr. Chairman: That isn't a point of order.

Mr. Martel: It is a point of order, Mr. Chairman. A member cannot call another member of this Legislature a liar.

Mr. Root: Mr. Chairman, I tell you, if you will tell me the parliamentary way to call a member a liar, I'll use that.

Mr. Cassidy: Withdraw that comment.

Mr. Martel: That's right, you withdraw the comment.

Mr. Chairman: If you aggravate a member and entice him to make a statement—

Interjections by hon. members.

Mr. Foulds: Don't give me that kind of nonsense, Mr. Chairman. It is against the rules of this House to use that kind of language, and this committee is an extension of the House. The member must withdraw it.

Mr. Root: All right, I said I would withdraw it. But you tell me how to call a member a liar in parliamentary language.

Mr. Foulds: Oh, no, he is not withdrawing it. He is reinforcing it.

Mr. Martel: He has no right to do that.

Mr. Chairman: Mr. Root, you've made your point, I think.

Mr. Foulds: He has to withdraw the remark.

Mr. Root: I will withdraw the term and I hope it registered this time. Don't display your ignorance by repeating it again.

Mr. Laughren: Well, you still haven't answered me, Mr. Root, as to when your salary dipped below the Premier's.

Mr. Chairman: Mr. Apps has the floor. We were talking about an unrelated subject.

Mr. Root: It has always been below the Premier's.

Mr. Apps: Mr. Chairman, I would like to raise a question of the selection for nursing courses in the community colleges throughout the province. As you may know, there was considerable controversy over the selection procedure at the St. Lawrence campus in Kingston and, in trying to get to the bottom of—

Mr. Chairman: Students for nursing, Mr. Apps, is on item 4. We are on item 2.

Mr. Apps: No, this is nursing courses within the community colleges.

Mr. Martel: Would you keep him in order? He is at the wrong vote, the wrong item.

Mr. Chairman: Yes, nursing assistants, I see.

Mr. Apps: I am trying to get to the bottom of this.

Mr. Martel: I thought it was at the top.

Mr. Apps: I was advised that they were acting under instructions given by the minister. What I would like to know is, what are the instructions given by the ministry to a community college as to the method of selecting the students who want to enter the nursing course?

Hon. Mr. Auld: I haven't gone into this in depth, but basically there are two things which we have told the colleges. First of all, people with grade 12 and grade 13 are treated in the same way, as far as applications are concerned. Secondly, inasmuch as, in every college, there are more qualified applicants than there are places—partially because of the lack of availability of clinical training facilities—those who are qualified, once they have been considered to be qualified, should be chosen. Those equally qualified should be chosen by lot or by chance in some way; not that the first applicant should get preference or that somebody with grade 13 should get preference over somebody with grade 12.

Mr. Apps: In other words, there is no selection at all as far as ability is concerned.

Hon. Mr. Auld: There are a variety of selection procedures. I'm not wildly excited about the one at St. Lawrence College, for some of the same reasons as you. Would you like to just say what is happening in the system as a whole, Mr. Jackson?

Mr. Jackson: The basic requirement for admission to any post-secondary programme in the college is a grade 12 diploma. In nursing they are required to have two science credits at the senior level as well, because of the biology subjects they'll be taking in their nursing programme. All those who have these basic requirements are generally selected on the basis of maturity and suitability for that type of programme, where the graduates are going to be working with the public. In nursing programmes, then, applicants are interviewed for this suitability.

Mr. Apps: Is this a requirement of the ministry, that the applicants be interviewed?

Mr. Jackson: It's a recommendation that it be done.

Mr. Apps: Is this in your letter of recommendation?

Mr. Jackson: It's not a mandatory requirement. It is a recommendation that the college staff interview the applicant; or where an applicant is coming from some distance, that they make an arrangement for another college to interview that applicant for suitability.

Mr. Apps: Have those instructions gone out to the colleges?

Mr. Jackson: Those instructions went out with the guidelines for the transfer of the nursing programme into the college system two years ago.

Mr. Apps: Perhaps when you are getting the figures for the other gentleman, you might get me the instructions that have gone out to the colleges in line with what you are saying. The letter I saw said nothing about interviewing in any way. If this is the case, then I would like to know.

Although the colleges apparently have no experience to guide them as to the success of the various students, it would appear that when you've got a programme in which there are many more applicants than can be accepted, there must be some method of trying to select those whom you might consider as best for the job.

Of course, one of the best ways of doing this would be to interview them before you accept them. In interviewing you can try and determine from your discussion with them, along with their academic record, those who you feel might do a good job as a nurse.

This wasn't done at St. Lawrence College. As a matter of fact a mother called me who was very upset. Her daughter had wanted to become a nurse ever since she was in grade nine. She had taken the subjects she felt would best be suited to her in order to enter a nursing school. She had worked hard and got an average of over 70 per cent, but yet wasn't accepted. However, some of her classmates in the same class had averages of 51, 53, 55 per cent.

One of them had never intended to be a nurse, but applied just because her friend applied; and she was accepted.

I don't think this type of selection is right. There is no incentive whatsoever for someone to excel and try and get good marks so they can be accepted and then have something like this happen to them. I'm wondering whether the ministry condones this or whether they've done anything to try and correct it.

Mr. Foulds: Point of order, Mr. Chairman.

Mr. Chairman: Point of order, yes.

Mr. Foulds: I draw it to your attention that there is no quorum present.

Mr. Chairman: Yes, there is a quorum present.

Mr. Foulds: No.

Mr. Chairman: Of members.

Mr. Foulds: I'm afraid if you check, there is no quorum, Mr. Chairman.

Mr. Chairman: Mr. Foulds, Mr. Laughren, Mr. Deacon, myself, Mr. Apps—that is sufficient.

Clerk of the Committee: No, there isn't a full count.

Mr. Chairman: Who is absent.

Clerk of the Committee: Mr. Laughren isn't a member.

Mr. Laughren: If you want to back up and put the previous motion, I'll call myself a member.

Mr. Chairman: You were voting on the previous motion, were you not?

Mr. Laughren: It didn't count, though.

Mr. Chairman: Call for the members. You are bound you are not going to have us sit from 10 o'clock on.

Mr. Cassidy: The House adjourned 20 minutes ago, Mr. Chairman.

Mr. Chairman: That's right.

Mr. Cassidy: I would point out it is the government side which is meant to keep the quorum. We're doing our best but you won't count us.

Mr. Root: Come on, you should have been up in the House. There was only one of your members there all night; for a little while there were two.

Mr. Chairman: Each member has an equal responsibility.

Mr. E. J. Bounsall (Windsor West): You're the total majority.

Mr. Laughren: What kind of homily is that?

Mr. Cassidy: Why don't you blame the Liberals?

Mr. Chairman: Mr. Root, would you go up to room 247 and see if there are any members there? Mr. Laughren, you can go with him. Mr. Deacon.

Mr. Laughren: I think it's the federal government's problem.

Mr. Chairman: Is it acceptable for Mr. Root to bring them in?

Mr. Laughren: To bring who in?

Mr. Chairman: Members of the committee.

Mr. Foulds: I'm not quite sure, Mr. Chairman, I'm looking for the appropriate rule that in committee—

Clerk of the Committee: For a quorum? It would be just the same. You appoint three members and they go out and get the members and bring them in. It's just like in the House.

Mr. Foulds: For how long? Four minutes?

Clerk of the Committee: I think you can take 15 if you want to.

Mr. Cassidy: No, it's for four minutes.

Mr. Bounsall: Let's do it for 15 minutes.

Mr. Chairman recessed the committee while members sought a quorum.

Clerk of the Committee: Mr. Chairman, there is now a quorum.

Mr. Chairman: We may continue. The minister had some remarks he wished to make.

Hon. Mr. Auld: This went out from the ministry, Feb. 1, 1974. It says:

Commencing with the 1974-1975 year:

1. Applicants for diploma nursing programme offered in colleges will be required to hold secondary school graduation diploma or the equivalent with two credits in science. [That's grade 12.]

2. Each college is responsible for determining the suitability of mature students who apply for entry into its programme. The assessment of the suitability of mature applicants, who must be at least 19 years of age, should include consideration of whether or not the life or work experience of candidates, and their personal qualities, indicate the likelihood of successful completion in the college.

3. Subject to the approval of the president of the college, personal interviews with applicants may be conducted by the chairman of the nursing programme or a designate. This provision for personal interviews is in recognition of the importance of motivation and maturity for students entering the nursing profession. Please note that present regulations will not support an admission requirement based on academic qualifica-

tions, beyond possession of an Ontario secondary school graduation diploma with two credits in science in the senior division.

I might just say that the reason for that is that when the colleges of nursing joined the community colleges, they had a variation in requirements. Some of them required grade 12, some of them required grade 13. It does not say there must be an interview, but the implication is that it is desirable.

Mr. Apps: Well, now I'm confused by No. 3. Are they talking about mature students or are they talking about graduate students.

Hon. Mr. Auld: They are talking about all students.

Mr. Apps: Grades 12 or 13; in other words, the president of the university can determine whether he should conduct interviews in the selection of students or not.

Hon. Mr. Auld: That is right.

Mr. Apps: And this has been a policy that has been worked out by the ministry. Although they recommend it, they're not insisting that interviews should be made.

Hon. Mr. Auld: Yes. I think the rationalization is that in certain circumstances, the great number of applicants, for a small number of places, dictated or indicated that it would be desirable to leave some flexibility in the hands of the president of the college.

Mr. Apps: Well, I can understand that. The thing that rather appalled me was the fact that I was advised what they really did was put the names in a hat and just drew them out of the hat. Then they selected the number, advised them that they were accepted and then they interviewed them. Which appeared to me to be a very strange way of trying to select the best-qualified candidates for a nursing course. I am just wondering whether the ministry might look into this and try to give a little bit better guidelines as to what should be done.

Hon. Mr. Auld: I have to tell you, as I said a minute ago, that I was a little concerned about this. I have seen a long report from the college and from the school of nursing people, who justify their procedure on the basis that the majority of the students selected in this way, they believe, will be as well motivated as had there been interviews, and they propose to do this for two years.

Mr. Apps: How do they figure that one out if they haven't tried it the other way? It goes against all normal common sense that if you

pick a certain number of names out of a hat, your rate of success is going to be as good as if you sat down and interviewed them with the type of qualifications you think they should have in order to be accepted. I just don't understand it.

I think the college has done it in all good faith. They probably feel this is the best way to do it. I am wondering whether this feeling is shared by the ministry. Do they feel this is the best way to do it or do they feel there should be some process of interviews? I mean, where do you stop? Do you do that with the OPP? Do you pick them out of a hat? Do you do it at a university? You don't do it that way anywhere to my knowledge, except in deciding which students are going to be accepted as nurses. You pick them out of the hat. What I am asking is, will the ministry sit down and take a good look at this and try to give some guidelines to them over and above what they have already been given?

Hon. Mr. Auld: I think I can assure you that there will be a little refinement of the guidelines for next year.

Mr. Apps: Well, thank you very much. I hope that's the case I just want to say that I know the people involved, and they are very fine people; they may think this is the best way to do it, and if that's the case, more power to them. I don't think it is.

I think the ministry certainly should be looking into that to see if they think it's the best way; if they do, fine. If they don't, then I think some extra guidelines should be sent down regarding interviews. Sometimes you get the idea they don't interview them because they don't want to go to the extra work that would entail. If you pick them out of a hat, if you decide who you are going to get from a lottery and then interview them, it is going to save you a lot of work. I don't think that is the case, but that's what some people think happens.

Mr. Bounsall: It certainly was not the way the hospitals did it when they were doing the interviewing and the selection.

Mr. Apps: As I understand it, in some cases hospitals did sort of take them on the first-come, first-served basis and that was it; but I am not sure of that.

Mr. Bounsall: Up to the time the programme was filled, by and large they got qualified people on a first-come, first-served basis. But they didn't do it on a random choice basis.

Mr. Apps: It appears to me that to try to select the best students, somehow or other you

are going to have to interview them to try to determine if they have the qualifications that make a good nurse. That, combined with their academic record and their interest in nursing, should be what is considered, rather than just hoping that you are going to pick them out of a hat and get the ones you think are best.

Mr. Chairman: Did you have another subject, Mr. Apps?

Mr. Apps: No, that's the one that I particularly wanted to bring up.

Mr. Chairman: Mr. Deacon.

Mr. Deacon: Yes, I want to come back to a matter related to the colleges and the pensions that I mentioned in my opening statement.

Hon. Mr. Auld: The part-time faculty.

Mr. Deacon: A specific example is that full-time Ryerson teachers teach 18 hours per week or less—

Dr. Parr: Ryerson comes under universities.

Hon. Mr. Auld: Yes, Ryerson comes under the universities but we won't—

Mr. Deacon: Thank you. Gosh, that's right. That was a technicality—

Dr. Parr: I mention it, sir, in case we may not have the information here.

Mr. Deacon: Well, fine. The difficulty in this case is that a part-time teacher has to put in 24 hours of teaching work a year, while a full-time teacher is only doing 18 hours.

Hon. Mr. Auld: Do you mean 24 hours a week?

Mr. Deacon: He has to put in 24 hours of teaching time in order to get a credit for one week's teaching. Yet if you are on full-time work, you would only have to teach 18 hours. Because he is a part-time teacher, it takes him a good many weeks, of course. With six hours a week, it takes him four weeks of teaching to get one week's credit as far as his super-annuation fund credit is concerned, whereas, it would take just three weeks of teaching if it were 18 hours of teaching, or one week.

Dr. Parr: I think, Mr. Chairman, there is no necessary consistency with respect to pension schemes across the universities and at Ryerson. Each make their own arrangements. I can find out precisely what Ryerson's is.

Mr. Deacon: This actually came up when Ryerson was still a college—maybe I can put

it in that way. I know that your ministry officials kindly brought it to the attention of the teachers' superannuation fund, and then they shifted it right back to Ryerson and this particular part-time teacher. But it seems ironical. He has been teaching since 1963 and only has, in effect, 3½ years of credit to his superannuation fund. He was attracted out of industry at a senior age because of his qualifications, but he has really been given the gears.

He is now in a position that he can get his money back that he has put in, but at a very unrealistic rate of interest. It has just put the man in an impossible position. He is 75 or 76 years of age and still doing excellent part-time teaching, but has to teach 24 hours for a week of credit. It seems to me most unfair. This is something we should not shuttle back and forth between ministries, but see if we can't deal with.

Hon. Mr. Auld: Was that one you wrote me about?

Mr. Deacon: Yes, that's right. The member for Oxford replied to it and he said it is now up to Ryerson and the man to settle it. It's awfully difficult and frustrating. I would love to have some help on this.

Dr. Parr: We don't have any jurisdiction over their pension schemes.

Hon. Mr. Auld: No, as Dr. Parr points out, and I think I mentioned very briefly after your opening remarks, I knew we had nothing to do with the universities and the arrangements they have with their faculty, full-time or part-time, and their pension schemes do vary.

Mr. Deacon: This was not a college, of course, at the time he started working.

Hon. Mr. Auld: But I think at the time the faculty, the teaching staff were again on individual contracts, very much like—well not quite the same as school boards. It wasn't the same as the provincial institute of trades. It was similar to a university when it still had the status of a polytechnical institute or whatever it was originally called.

Mr. Deacon: This man started with them in 1963 and it is just an impossible goal for him to get the 10 years at this rate of credits.

Hon. Mr. Auld: It seems to me there is a faculty association at Ryerson that sort of bargains or negotiates all arrangements.

Mr. Deacon: They have tried and they have been unable to budge it. I just feel it is going to take some ministry help on the matter to deal

with a situation like this. I don't imagine there are very many of them, but it seems inconsistent and not logical for full-time teachers to get credit for an 18-hour week and this man be required to teach 24 hours to get credit for a week's work.

Dr. Parr: You mentioned his age now. At what age did he join the part-time staff; was he at retirement age then?

Mr. Deacon: No, he has to do overtime.

Hon. Mr. Auld: Well, 10 years and he is—

Mr. Deacon: It is now 12 years since he started, nearly 13 years since he started teaching.

Hon. Mr. Auld: And he was what—62 when he started?

Mr. Deacon: About that.

Hon. Mr. Auld: That may have something to do with it.

Mr. Deacon: It was a part-time job, a part-time teaching assignment. That was the only way they could take him on for some reason or another at that time. But I feel it is wrong. We should have a consistent way of crediting the number of hours we teach as part-time or the number of hours full-time. I would appreciate help from the minister or his staff in connection with this.

Hon. Mr. Auld: We will pursue it again.

Mr. Deacon: I would appreciate that, thank you.

Mr. Chairman: Mr. Root.

Mr. Root: Mr. Chairman, I withdrew a term that I used regarding the member for Nickel Belt. I think that he should either substantiate with facts the charge that he made against me, or withdraw it. I would like to have that in the record tonight—either he establishes that I was paid more than the Premier by fact and not by imagination, or he withdraws the charge.

Mr. Chairman: Mr. Root, I call you both out of order. First of all I think the member for Nickel Belt was talking about public accounts and it was not a matter before this committee. Also you referred to a member in a derogatory term—

Mr. Root: I realize.

Mr. Chairman: I asked you to do that. I recall both of you were not in order at the time. You were both commenting on something in public accounts rather than in these estimates.

Mr. Laughren: I have never said a mean thing about you.

Mr. Root: You said a false thing. You made a statement that had no relation to fact and you knew that. I think you should withdraw the statement and have it in the same Hansard that you were just talking off the top of your head.

Mr. Laughren: I have never said anything other than that which would raise your level of esteem in the community at large.

Mr. Root: Mr. Chairman, I would ask the member to withdraw his charge so it will be in the Hansard tonight, and say that he made a statement he didn't have facts to back up.

Hon. Mr. Auld: The member should know there is a statement in the Hansard of the House from two years ago—because I was Minister of the Environment when that came up—which clarified the matter and indicated that the member was paid considerably less. Somebody in the Liberals was doing some pretty crazy arithmetic.

Mr. Laughren: They do that all the time.

Hon. Mr. Auld: They figured that the then chairman of the water resources commission was being paid the same rate per annum—which I think was \$36,000—as his predecessor who had been a civil servant. That was not correct and it was clarified at the time.

Mr. Laughren: He was paid more.

Hon. Mr. Auld: If you were not aware of that, you are now and I'm sure that knowing this, you would immediately say that you had erred a few moments ago.

Mr. Cassidy: Do you think his contribution was the same as that of the civil servant?

Mr. Chairman: We want it in the same Hansard.

Mr. Root: I want it in the Hansard; the same one in which I withdrew. I realize I shouldn't have used the term to the member and I'm asking that you be an hon. member and withdraw the statements you made, which will correspond with the records of parliament.

Mr. Laughren: The only person I have heard say that you didn't earn more was you.

Mr. Chairman: I think you also—

Hon. Mr. Auld: I said he didn't, too, and I was minister at the time.

Mr. Laughren: You're not in public accounts.

Mr. Root: Mr. Chairman, I think if the member is going to make a charge he should produce evidence before the committee where he made it to back up his charge, or withdraw it.

Mr. Foulds: If you would be happy to supply us with your income tax statement?

Mr. Cassidy: Your stubs would do actually.

Mr. Chairman: I think it was a matter which wasn't before the committee and I called you both out of order. If Mr. Laughren wishes to put it in the same Hansard it's up to him to put it. Unless he wishes to do that—

Mr. Bounsall: Wouldn't want to be out of order.

Hon. Mr. Auld: We'll wait until before the orders of the day on Thursday.

Mr. Chairman: Mr. Root was asking for something that I ruled out of order and since it is now 10:30, we will resume at 10 o'clock tomorrow.

Mr. Foulds: Mr. Chairman, before we adjourn, will we sit from 10 until 12 or 12:30?

Mr. Chairman: I presume we will sit until 12:30 or longer if necessary.

Mr. Foulds: Presumably we will not get the vote done in its entirety in our first morning session. Can we sort of regularize things now and say that we will meet from 10 until, say, 12:30, and from 2 until 6?

Mr. Chairman: From 10 to 12:30 and 2 o'clock until 6 is fine.

Mr. Cassidy: We had better schedule an evening and overnight session too. Mr. Chairman.

Mr. Laughren: In case you don't get those figures.

Mr. Chairman: The minister can't be here Thursday, so it will be Friday morning.

The committee adjourned at 10:35 o'clock p.m.

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ESTIMATES, MINISTRY OF COLLEGES AND UNIVERSITIES

Standing Social Development Committee ⁵⁷

Chairman: Mr. R. G. Hodgson

OFFICIAL REPORT — DAILY EDITION

Fifth Session of the Twenty-Ninth Legislature

Wednesday, May 28, 1975

Morning Session

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

THE QUEEN'S PRINTER
PARLIAMENT BUILDINGS, TORONTO
1975



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Daily index of proceedings appears at the back of this issue. Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff (Phone: 965-2159).

LEGISLATIVE ASSEMBLY OF ONTARIO

WEDNESDAY, MAY 28, 1975

The committee met at 10:10 o'clock, a.m.

ESTIMATES, MINISTRY OF COLLEGES AND UNIVERSITIES (continued)

On vote 2503:

Mr. Chairman: When the committee rose we were on item 2 of 2503.

Hon. J. A. C. Auld (Minister of Colleges and Universities): I have the figures you asked for last night, Floyd. In the first year, the number of students who enrolled in a one-year programme in the fall of 1973—this was mainly in the academic upgrading programme, which is run in conjunction with the federal Manpower academic programme—was 8,366; and the number of those who graduated from that same programme, the one-year programme, in the spring of 1974 was 2,388, with a difference of 5,978 or 71.5 per cent. As I say, the reason for that is that many of them transferred at some time during that year to one of the other programmes once they had done their academic upgrading.

The number of students who enrolled in the first year of a two-year programme in the fall of 1972 was 12,726, and the number who graduated from those two-year programmes in the spring of 1974 was 8,382, a difference of 4,344 or 34.1 per cent.

The number of students who enrolled in the first year of a three-year programme in the fall of 1971 was 5,466, and the number who graduated from one of those three-year programmes in the spring of 1974 was 2,432, a difference of 3,034 or 55.5 per cent.

We should note that this form of computation automatically includes, as what we chose to call attrition, all students who transferred to university before completion of the CAAT programme in which they originally enrolled; all students who leave to take employment in a related area before completion of the full CAAT programme in which they originally enrolled; and all students who, for any reason, did not complete the programme in which they enrolled in the prescribed time.

Hence, the statistical definition of attrition is based on the assumption that the objective

of full-time post-secondary programmes in colleges of applied arts and technology is for students to obtain a diploma within the lock-step time frame. Because such a concept is inconsistent with the stated objective, that CAATs should help the student to meet his or her educational objectives on his own terms rather than on the terms of a statistical reporting system, we have chosen to evaluate the effectiveness of full-time programmes by looking at the achievement of each student year by year, regardless of the number of years he or she may attend college. Of course as I mentioned last night, many of the full-time students do drop out at the end of the year, or two years, to accept employment. We don't have the figures, but I am told by the presidents and other faculty members on my visits to the colleges that they are now starting to see a significant return of people, as part-time, or sometimes it is full-time, to continue, say to take the third year of one of the technology courses.

I might just quote a little light bit for you this morning, Floyd. There's a big difference between the quote: "You look like a breath of spring"; and: "You look like the end of a long hard winter." It really depends on your point of view as to how you interpret this. That's a little philosophy for the morning.

Mr. F. Laughren (Nickel Belt): I wonder where that came from?

Hon. Mr. Auld: The Reader's Digest.

Mr. Laughren: Is that right? That seems to be somewhat more realistic than the figures that Mr. Jackson was trying to feed us last night.

I know you can't average averages, if I remember the little bit of mathematics I ever had correctly, but if you totalled all those numbers up, what would you come to in terms of attrition rates? Have you done that?

Hon. Mr. Auld: You mean of those three?

Mr. Laughren: Yes, those three; particularly the two and three-year programme. I think the Canada Manpower programmes are a little dicey because people are much more apt to just carry on in employment. I think they are

probably closer to the job market in their thinking.

Hon. Mr. Auld: Yes, there are both the Canada Manpower students and the sort of regular CAAT college students in those same programmes. But as I mentioned, in both groups a great many of them don't complete because they do the sufficient amount of upgrading and then they transfer into another programme, which is generally a two or three-year programme.

Dr. J. G. Parr (Deputy Minister): If you take the two- and three-year programmes, what has been called the attrition rate, if my figures are correct, comes to something just a little over 40 per cent.

Mr. Laughren: Yes, that's a long way from 14 per cent.

Hon. Mr. Auld: Again we are talking about two- and three-year programmes, and the figures that we gave you last night we said specifically were attrition rates year by year. In other words, they would be first year, second year and third year of perhaps a two or three-year programme.

Dr. Parr: I think, specifically, the figures last night were defined as the percentage of students who are qualified to continue into another year if that was their wish; 87 per cent.

Mr. Laughren: I see. The last time we went through this exercise there was a considerable discrepancy among institutions, and I am wondering if you have detected that at this point. Last time I think Centennial was the one that had a remarkably high attrition rate.

Mr. H. W. Jackson (Director, College Affairs Branch): Yes, Mr. Chairman, there are variations. The variations depend a lot on the programme mix the institutions have, so that an institution with a fairly large number of three-year programmes will have a higher percentage of two-year or shorter programmes. There seems to be an increasing tendency to take two years and then go out to work and not complete all in three straight years.

Mr. Laughren: Which institutions are those?

Mr. Jackson: I have raw figures here but we have not converted them into percentages. If there is a particular institution you are interested in, I have a calculator and can give you the percentage.

Mr. Laughren: No, I was just wondering whether or not you are monitoring these kind of things very closely, and whether or not you are able to detect a problem if it arises?

Mr. Jackson: Yes, and I think the institutions themselves are monitoring this quite closely. Obviously, the funding mechanism is an incentive to monitor attrition as well.

Mr. Laughren: I don't have much more on this vote, but I wondered if I could get the minister's opinion as to whether or not he thinks that community college teachers, as opposed to university teachers or elementary and secondary school teachers, should be restricted from political activity, and how he justifies that.

Hon. Mr. Auld: I suppose the only comment I would have is because they are currently members of the CSAO and provincial civil servants, and that the Civil Service Act applies to them in the same way as it does to others.

Mr. Laughren: Does that make sense to you?

Hon. Mr. Auld: I won't give you my opinion about what they may do, because it's obviously a matter of government policy and I would be discussing that in cabinet.

Mr. Laughren: Do you know there was a case just this week where two people resigned from the NDP executive in—I forget where it was, Sarnia?

An hon. member: Lambton.

Mr. Laughren: Lambton, was it? I wish I had talked to those people before they did it—not that I have any control over what they do—but I would have encouraged them to stay on and fight the law. I really think it's incredible. I don't think you, as minister, should be able to duck the whole question, because those people come under the jurisdiction of your ministry and I see no reason whatsoever why those people cannot be involved in the political process. Now, do you really think that I, as a former teacher at a community college, refrained from all political activity, then one day went into a telephone booth, changed my clothes, and emerged as a candidate?

Hon. Mr. Auld: That's exactly what I was told in Sudbury.

Mr. Laughren: Well, it's really incredible that—

Hon. Mr. Auld: They even showed me the phone booth.

Mr. Laughren: Pardon?

Hon. Mr. Auld: They were going to put a plaque on it. It is the only one that is still at 10 cents.

Mr. Laughren: The telephone booth that will receive a plaque will be the one I make the telephone call from when we nationalize the Bell Telephone Co.; and I will let the president of Bell know that he is now unemployed.

Mr. M. Cassidy (Ottawa Centre): The minister could use the telephone booth for his exit from politics; how's that?

Mr. Laughren: It was the Minister of Industry and Tourism (Mr. Bennett) who said there are no supermen in politics. He said: "Just because I slip into the telephone booth to change my clothes, don't let that mislead you." Those were Claude Bennett's lines. Of all ministers of the Crown to use it, he, the junior achiever of Ontario.

Mr. Chairman: I thought he had a mobile place where he could change.

Mr. Laughren: Complete with bar, yes.

Mr. Cassidy: He has a telephone booth hidden inside that thing.

Mr. Laughren: Well, I just wish the minister would use his office to persuade the Chairman of Management Board (Mr. Winkler) that simply must be changed. You are allowing the people within your ministry to be discriminated against compared to the Ministry of Education.

Hon. Mr. Auld: Well, as it happens there are a couple of people in my own riding I would like to see a little more active in our field.

Mr. Laughren: Yes. Well, surely you have the wherewithal to have that changed. And change it now; don't wait until after the next provincial election, change it now. I really think you are being silly, petty, to allow this to continue. Why do you distinguish—

Hon. Mr. Auld: I hear if we leave it the way it is, it may save you an opponent.

Mr. Laughren: No, if you want to save me an opponent, you can pass a law that would prevent Roman Catholic priests from contesting for political office.

Hon. Mr. Auld: Oh I wasn't thinking on that side.

Mr. Laughren: Oh; now you have really got me interested.

Mr. J. Lane (Algoma-Manitoulin): A dark horse.

Mr. Chairman: Just leave him where he is. I think he is a little bit puzzled.

Mr. Laughren: If it's a Liberal candidate it really doesn't matter, because in a good year they get 10 per cent of the vote in Nickel Belt. The battle is between the guys in the white hats and the guys in the black hats; namely, you and us.

Mr. Minister: I don't know how to convince you. Can you tell us whether or not you anticipate a change before the session adjourns?

Hon. Mr. Auld: I think you'd have to ask the Chairman of Management Board.

Mr. Laughren: That's a good suggestion.

Hon. Mr. Auld: He is responsible for dealing with the CSAO and the Civil Service Act.

Mr. Chairman: Do you have any questions, Mr. Riddell?

Mr. Laughren: I would certainly encourage you to test that law.

Mr. Chairman: Mr. Cassidy.

Mr. Cassidy: Thank you, Mr. Chairman. I have a number of questions which are directed to the minister and which concern Algonquin College. I just find that the attitude the ministry and the minister have taken about Algonquin, and what it speaks for, the minister's concern about the community college system in general, to be pretty deplorable. I have to say this to you, Mr. Minister: I think that the amount of time and attention you have been demonstrated to have shown for Algonquin College is pitiful. Considering that there are only about—how many universities are there in the province?

Mr. Laughren: Universities or colleges?

Mr. Cassidy: Universities first.

Mr. Laughren: There are 15.

Mr. Cassidy: There are 15 universities. And how many colleges?

Mr. Laughren: There are 22.

Mr. Cassidy: Okay, 22. On that basis, it should be possible for you to devote at least a half a day a month of your precious time to the concerns of Algonquin College. As far as I can see, you may have devoted one half day over the last six months and nothing more. More time should have been given, considering the fact that Algonquin College is the largest or second largest community college in the province; and given the fact that it has undeniable financial problems, which you have dismissed with the back of your hand.

There is a tremendous resentment up there, Mr. Chairman, about the way in which the minister came up at the time of the unveiling of the Neiman-Noble report, which was intended to look into the financial problems of Algonquin College in dealing with its 1974-1975 deficit.

The minister came in—I don't know if he used a helicopter to get to the grounds of Algonquin College from the airport, but it was that kind of visit—the report was unveiled, the people there from the board of governors and the academic administration of Algonquin received the report in conjunction with the minister, and during the course of the meeting it was agreed that since the board of governors and other people involved wanted to review the report, nothing would be said to the press. On the way out, however, as the minister swept out with his phalanx of supporters, lackeys, flunkies and other such people, the minister called the press to him and held an impromptu-type press conference at which he said: "The place isn't going to shut down next year, and there are no financial problems at Algonquin College."

I'll go through the budget documents in a few minutes about Algonquin, because I just suspect the minister hasn't given any attention to it and because I think that what Algonquin has found out about its financial situation is going to be happening in many other community colleges across the province during the coming months. If Algonquin is having a problem this year and others are not having it this year, they'll have it next year at the rate you're going.

Hon. Mr. Auld: Let me just correct one of those statements. When I swept out with my phalanx, I could not get out the door until I went through the press. I was accompanied by I guess the chairman of the board and some other members of the staff, and I gave the press the joint press release that was compiled by myself, the chairman of the board and board members.

Mr. Cassidy: You gave them far more than that.

Hon. Mr. Auld: I was asked further questions about the number of possible layoffs, and I said: "The president tells me the normal attrition is about 120 a year, and there would be something less than half of that that might be involved."

Mr. Cassidy: And you said there were no financial problems; it's all solved. With your magic wand you came in, but your magic wand had nothing behind it.

Hon. Mr. Auld: No, I didn't. I said the financial problems were not as severe as had originally been indicated in the fall and in the early part of the year; and they weren't.

Mr. Cassidy: You left the people up there looking like patsies. You left them holding the bag. You left a bunch of honourable men who have been trying pretty hard to resolve a very difficult situation—and who had agreed in private, as I understand it, that nothing would be said to the press—holding the bag.

Since you broke the deal does that mean that they should break the deal as well and say: "No, we disagree with the minister"? They had only just received a report. You gave the implication to the press, and this is the way the stories came out in the press, Mr. Minister, that Algonquin would not have any financial problems in 1975-1976. And it is clear that it is having financial problems and will have them.

Hon. Mr. Auld: I have said nothing more than—

Mr. Cassidy: And the Nieman-Noble report dealt primarily with the financial problems of 1974-1975.

Hon. Mr. Auld: I said exactly the same things there that I said in the House in answer to questions that you and others had asked about their problems. All the colleges had problems, but they did not have problems that required the place to fold up or take the kind of action that had been suggested in a report to the finance committee in January or February.

Mr. Cassidy: Okay, let's go back a stage then. The Algonquin people, like so many other people who are running government services across the province—whether it's municipalities that are forced to raise tax rates because of inadequate grants from Toronto, whether it's Metro Toronto deciding to pass on an effective provincial tax increase in the form of increased transit fares, or whether it's a college that is forced to cut back services because of inadequate grants—are being made the front men for failures in policy down here at Queen's Park.

It's my opinion that the people in the administration at Algonquin College should not have published a proposal to stop first-year enrolments. I made that clear to them privately; I made it clear publicly as well. In meetings with the people of all groups at Algonquin College, I have also tried to make it clear that if they are going to have an impact on this ministry and this government,

then they have to keep their act together and make sure they're presenting a common front and that if there is division among the college community, as there has been at times, they've got to put that together.

But I don't think that you, as a minister, should come in and exploit the kind of situation which is created by inadequate funding from Queen's Park. I don't think you, as minister, should come in and, with a prance and flick of your wand, tell them they should reverse policies which have been in operation for eight or 10 years and which had never been questioned by the ministry before, that they should spend money when there was no assurance of alternative funds to provide the things for which that money had been put into reserve. Nor do I think you should abuse that college in the way in which you have been doing.

Frankly, Mr. Chairman, I have to say that I think the job of this minister is simply to try to keep the colleges and universities sector from becoming a political issue by trying to defuse the whole situation. I can see no evidence of concern. There is no particular evidence of hard work by the minister or devotion to the cause of the colleges and universities of this province.

There is no evidence that I can see that the minister is fighting within the social development policy field or within the cabinet in order to get adequate funding for higher education within the province. Instead, we get homilies from the minister, such as: "Society is turning against higher education"; and "Isn't it a pity that there isn't enough dough to go around?" That's what he said when he launched these committee hearings a few days ago.

The minister himself is one of the agents of that view. In fact, he is in a very effective place to give that view reality by refusing to fight for the necessary funds in order to make things happen in a college like Algonquin. I take Algonquin because it's in my area, because there are students from my riding who go there and because I think it is typical of the situation of many other community colleges across the province. If I can speak personally, a large part of my own riding is working class. The problems of accessibility to technical education and community education are very real there. You are playing with the futures of young men and young women who will have been turned off from going to Algonquin because of your ministry's policies. They will find the programmes they want to take are not available. They will find themselves being directed to certain specialized programmes in other parts of the province because Algonquin cannot afford to offer them. And they will,

therefore, not go into careers where they could engage in productive work as their life career.

There's a philosophical problem here, Mr. Chairman. When the community colleges were set up—and the member for Nickel Belt has already read some of the great declarations of the then Minister of Education (Mr. Davis) into the record—the idea was they would provide a tremendous range of post-secondary opportunities and training suited to the needs of the community. They were also intended to provide local opportunities for people for whom the transfer to another community to study at the post-secondary educational level was just too tough to envisage.

You get a kid from a family earning \$9,000 or \$10,000 a year, and it's a heck of a jump for that student to contemplate going from Ottawa to Toronto or Hamilton or Windsor in order to take his particular programme. Therefore, the ministry has encouraged at first, and I think continued to encourage and maybe tolerated the fact that a college like Algonquin has provided a wide range of programmes and courses. It's like a cafeteria, many of the offerings have only 10 or 20 students a year. If you take museum technology or x-ray technology or other fields like that, the demand by students and the demand on the job market in those particular areas aren't particularly great.

Up in Ottawa we haven't got the same flexibility you may have down here in the Metro Toronto region of having access to a number of community colleges. Here, if a student in Scarborough wants to study cartooning, then with some difficulty he can make travel arrangements in order to take the programme that is offered at Sheridan, I believe, in Oakville; or if a student in Mississauga wants to take a programme which is being offered at Centennial, he can do that by dint of some rather difficult transportation arrangement. But they do have access to some degree to the specialized offerings of four or five community colleges within this Metropolitan area.

There is only one of those colleges up in Ottawa. It's Algonquin, and the distances to travel are difficult and are lengthy. In fact, a number of the programmes being offered at Algonquin are being offered up and down the valley, because its catchment area or its service area extend from Pembroke which is 120 miles northwest of Ottawa down to Hawkesbury which is 65 miles to the east. That's a heck of a big distance. It's the biggest distance covered, I think, by any community college in southern Ontario.

The philosophy was that these offerings would be made available to people where they were living rather than forcing them to go to other parts of the province. Your student aid plan, among other things, with the high component of loan, is intended to encourage people wherever possible to stay in their home communities rather than go off to some other part of the province in order to take their course. If they stay at home, their room and board are cheaper, the job opportunities are greater, etc.

As funds are cut back, Algonquin is no longer able to provide that kind of cafeteria service and is already cutting back on the range and variety of courses that are provided. This is also going to take place in other community colleges which are under the same kinds of financial pressures being imposed by the ministry. Algonquin has a heavy commitment to continuing education, and that's being cut back. I'll give you the budget in just a minute.

I once worked in West Germany and I lived in an apprentices' hostel there. Many of the young people there were age 17 or 18 and every one of those kids, who would probably have been a drop-out and no longer be attached to the education system here in North America, was continuing his relationship with the local community college or whatever they called it. For one day a week that student would go to the local technical high school or technical college and every one of those students was in an apprenticeship programme. We ought to be looking in that kind of direction in order to allow people, when they leave school out of need or out of desire to earn some money or whatever, to keep a hand in further education; instead of which those doors are getting shut and that situation is being aggravated by the situation created by the ministry.

There are tremendous morale problems at Algonquin college right now. For obvious reasons, the brightest and best of the teachers, whether they are protected in their jobs or not protected in their jobs, are looking around in order to see what other opportunities there may be. They are going back into the high schools or are looking for work in private industry. They are going to work in the federal government.

When you have that kind of forced attrition, which is made because of the threats to morale or the attack on morale which has been sponsored by the ministry, it is the brightest, the best and the most mobile ones who leave. Some of the good people stay because of dedication and because they have devoted too

many of their years to the institution to leave. But many of the people who will leave will be the ones you would most hope would stay; the ones who would have been the most innovative if they were given their head. They are the ones who find they are simply frustrated. It is the ones who are poor teachers or the ones who are indifferent teachers, who are stuck and who inevitably stay; and the ones who are dedicated and are doing their best to sort of soldier on. Even for them, in a choice between spending three nights a week developing a new course, and spending more time at the cottage or building a kayak or working with their young son in order to help him to do better in his school work, you can see the kind of choice they begin to make.

Hon. Mr. Auld: I would have to say the comments and the opinions I have had from members of the faculty at various levels—all levels—would indicate the greatest blow to morale around there was that incredible budget proposal of February, which did not come from this ministry.

Mr. Cassidy: I agree, but the budget proposal of February was a response to an intolerable situation which was created by the ministry.

Hon. Mr. Auld: By an institution which had agreed with us to have a management and financial study, which had not been completed—

Mr. Cassidy: Yes?

Hon. Mr. Auld: They moved long before they knew what the facts were; and it was that which created the real problem.

Mr. Cassidy: From an administration which had a financial year beginning in two months and which had had incessant delays in getting clear financial guidelines from the ministry. You forget those people out there have real problems. You worry about your bloody problems in the cabinet and in the bureaucratic process; they have lead times to work with as well. They were worried about what they would have to say to students and what they would have to say to staff.

The minister may say they were wrong in their concern and they over-reacted. I might agree with the minister on that. But don't absolve yourself of blame, because if there had been a reasonable kind of assurance well in advance of adequate funding; if there had been assurances about what would be done with the arbitration award to the community college teachers so the college was assured that if the arbitration award was more than

it had been told by the ministry to budget for, those funds would be made up by the ministry; if those kinds of things were done you wouldn't get that kind of abrupt over-reaction by well-guided, well-intentioned people up there who simply have a job to do and are trying their best to do it.

Hon. Mr. Auld: I must say I was dumb-founded, as I mentioned, when the first I heard about their proposal was from the media. It would seem to me that with anything of the magnitude of the kind of thing which was proposed, the chairman might have let the minister know what they were facing. As I say, it turned out to be incorrect, as I suspected at the time. A little co-operation goes both ways.

Mr. Cassidy: You put professionals to work in the community colleges and you ask them to do a professional job. I will come to the budget documents in a minute. They have standards which they assume they are there to maintain. They have a job to do in education which they assume the Ministry of Colleges and Universities wants them to do. Sure, you can turn them into factories; you can get 250 students in every class; you could slash the cost of community colleges from \$200 million or \$296 million, by a third if you wanted to do that; but you wouldn't have community colleges left to maintain.

Hon. Mr. Auld: I could have had a phone call from them for nothing, because we have a direct line.

Mr. Cassidy: Sure. I was informed quite quickly of what was going on by people who were concerned and who got in touch with me before the decisions had actually been completed. The president said, until there was a decision, it was pretty tough for him to call you. All of this took place over the course of about three days, with enormous suddenness.

He was upset by the fact I was phoning him before the meeting which reached the decision was even concluded. Perhaps one might say the ministry should be in better touch with the colleges, and not just the colleges with the ministry. If you were so surprised about what was happening, I suggest your people don't keep in very close touch about what is happening up there in order to be informed about this. This had been kicking around in their senior academic committees for a period of seven or eight days, long enough for the minister to be informed.

Hon. Mr. Auld: I think we are perhaps in better touch than some of the people up there in view of the fact that at the November meeting, we disagreed with some of the figures

produced by the college in relation to its situation; and that is why we jointly agreed to have it looked at by somebody from outside. It turned out we were pretty close to being correct.

Mr. Cassidy: You took two things, you took an accumulated surplus fund which had been built up over a period of seven or eight years, and—

Hon. Mr. Auld: Yes, it was about seven or eight times the amount that was required per year, based on their history, to look after replacements and that sort of thing. I haven't the report in front of me, but as I recall, that was about the figure.

Mr. Cassidy: The practice at the college has been to set aside 10 per cent of the cost of equipment that is bought, for the equipment and replacement reserve fund. Many parts of that college have been in existence for 10 or 12 years; they are working with equipment which is simply obsolete by today's standards, and they are teaching kids, students, based on that obsolete kind of equipment. The budget they are granted each year gives them no flexibility to provide for adequate replacement of that kind of stuff. The one area where they have been—

Hon. Mr. Auld: That is interesting, because that fund must have been built up from what they were able to find in their budget over the years since they were established.

Mr. Cassidy: Sure, but it is a funny kind of depreciation. If they wanted to depreciate the material they had in there, at the rate of say 10 per cent per annum—which I think you would agree would not be an unreasonable kind of rate—then instead of having \$700,000 they would be budgeting \$700,000 per year in depreciation; 10 times what they have been setting aside. Now the minister has simply swept that away and said: "Fine; pour it in in order to offset your operating deficit this year, and something will come up next year."

Maybe Dr. Parr knows what will come up next year. I don't know what the heck is going to come up; they don't know what's going to come up. This year they have moved onto a balanced budget, because they simply had no assurances that any deficits they incurred were going to be met. If you look at the curve of expenditures and revenues, you can see that the gap between the two of them is increasing year after year. It will continue to increase next year, and there won't be any accumulated reserves or anything like that in order to make up the difference. One just has

to ask what on earth are you people going to do then.

Let me just read to the minister—since I doubt he has managed to spend the time to look at it himself—the comments that were made in the budget of Algonquin College:

As I think you are aware, the board of governors has now moved that it is in the position of being forced to request the minister for additional funds so that we may serve this community as we were originally intended to do.

Let me say that that board has got to be the most prudent board in the province. The chairman, Harold Thayer leans over backwards in order to be prudent in these things, because he's a trade unionist and knows the value of a dollar and because he is a New Democrat.

Mr. Laughren: Right on.

Hon. Mr. Auld: I must say that—well, carry on.

Mr. Cassidy: It has been very interesting, as a matter of fact, to Mr. Thayer, who is a friend of mine. He and I have had some very tough conversations about these questions at Algonquin. We have disagreed about a number of things. Where we are agreed, however, is that the financial arrangements made for that college by Queen's Park, by this ministry, are unrealistic and are inadequate.

Hon. Mr. Auld: You found it easy to come to that agreement, I assume. You had no difficulty coming to that.

Mr. Cassidy: No difficulty coming to that. This is a recapitulation of the questions about the budget, and let's just see what the board says about the meeting with the minister.

Hon. Mr. Auld: I cannot help you, because that arrived in my office only this morning and I haven't had a chance to read it yet.

Mr. Cassidy: It's been around for some time. The basic position was that after drawing up its budget and after applying all these reserve funds, the college was faced with a deficit of \$1.4 million. That was increased to \$2.1 million when you take into account a shortfall in estimated revenues and an increase of about \$350,000 because of increased staff costs arising out of the arbitration which were not met by the ministry.

Now, the board set a number of criteria to guide the administration in balancing the budget. The criteria were: no new programmes instituted, except those which are separately

funded; no reduction in continuing education activities—in fact there were reductions in continuing education activities, and only 50 per cent of personnel will be replaced; reduce organizational levels and/or positions where possible; keep course loading high; use maximum student-teacher ratio; reduce the length of certain programmes and courses; use the equipment replacement fund as required—in other words, as ordered by the ministry, not for replacement of equipment but for meeting the operating deficit of a college.

You know, on that one question about the course loading and the maximum student-teacher ratio, I presume there has been some discussion about the pending arbitration award. My reading of that arbitration award was that it was very clearly agreed that the present load on community college teachers is too high and that it should be reduced, not just by a little bit but by an amount between one-quarter and one-third; is that correct, Dr. Parr?

Dr. Parr: I don't think that figure was mentioned in the judge's statement.

Mr. Cassidy: But a substantial reduction in teacher work-loads was certainly looked to; is that correct?

Dr. Parr: I don't think the adjective substantial was applied to the work reduction, if my memory serves me right. I don't have the report in front of me.

Mr. Cassidy: I see. Well that was certainly the implication I got. You have to ask: If Algonquin College is put in the position of keeping course loadings high using the maximum student-teacher ratio, in other words pushing the teacher work-load up, then how on earth can that arbitration award, when it eventually comes in, how on earth can that be implemented within the kind of financial arrangements they have for 1975-1976?

What are they going to do when the Council of Regents makes an agreement or when an agreement is shoved down their throats about teacher work-load which says to reduce it by a significant amount, even if it is only a 10 per cent reduction in teacher work-load? That effectively means you have to add more people.

I suspect, as well, that the definition of teacher work-loads is going to bear an amount related to the number of student-contact hours and not just the number of teaching hours. In other words, if you are teaching 100 students, but you have to mark their papers or mark their projects or relate to them when they drop into your office, that has a heavier weighting on a teacher than if you are teaching a course of 10 students. Therefore the route

the ministry is pushing of having larger and larger classes will not be a successful means of reducing the number of teaching work-loads, because their work-load will be defined in terms of the number of students and not just the number of hours.

Is Philip Adams here? Mr. Adams, how do you do? There was a meeting with Mr. Adams to acquaint him with the implications of a balanced budget at Algonquin at the end of 1975-1976, and to determine if any further financial support would be forthcoming. If the minister says that he only just got this document in his office, then I ask him why he doesn't talk with Dr. Parr or with Mr. Adams, because they obviously could have told him more than a month ago what the implications were for Algonquin in the budgetary situation. Mr. Adams is already—

Hon. Mr. Auld: I am aware, and as matter of fact it was considerably less than what they were talking about in February; I would say **more or less along the lines of the implications** for most of the colleges.

Mr. Cassidy: The \$2.5 million cutback in—

Hon. Mr. Auld: As I have also said in the House.

Mr. Cassidy: That is what I say, Mr. Minister, you don't give a damn. As far as you are concerned, as long as Algonquin College doesn't shout too loud, as long as you can keep them quiet until after the election, then that's fine. After the election, God knows what you want to do if you are still in office—and I hope you are not.

Hon. Mr. Auld: You obviously haven't—

Mr. Cassidy: Because after the election it will be quite open to you. I can see it now, you or your successor will simply come in—and these guys are going to have to carry the can as well, because the administration in the ministry cares about what is going on there; but the government doesn't care at all.

Hon. Mr. Auld: You haven't—

Mr. Cassidy: You set yourself determinedly on a course of action which will kill post-secondary education in this province.

Hon. Mr. Auld: You are entitled to your comments and your opinion, but I can tell you that you are quite wrong.

Mr. Cassidy: Well that's what the minister says. We've got to judge, and the people of Ottawa who will be voting in this coming election have got to judge, not on your state-

ments, Mr. Minister, but on your actions. Your actions have been directed to depriving young people, and people of all ages in the Ottawa area, of the opportunities for further education at the community college level. That's also been the case right through eastern Ontario, up and down the valley, at Pembroke and Smiths Falls and Perth, Hawkesbury and the other places where Algonquin College's various satellite campuses are located.

Hon. Mr. Auld: I think this is parliamentary, Mr. Chairman: I would say that was a statement that does not have the benefit of one atom of fact.

Mr. Cassidy: The minister is entitled to his opinion as well. It's going to be the voters who are going to make the judgement on that.

Here is a summary of the various measures that have been taken in order that Algonquin comes up with a balanced budget and fits within the financial guidelines made up by the minister—and let's suppose that happens, they will still be there at the end of 1975. But when you open a wound and you let it bleed, it gets worse and worse every year.

Among the college-wide measures that have been taken in order to implement the budget slashing are the following: Complete elimination of all professional development funds; the elimination of funds to permit course development in response to professional and community needs; the reduction of staff development to a two-person operation with no other financial resources for staff training—and this is an operation which brings in many people who do not have teaching training but have either experience in the community or some other kind of professional knowledge, but not the knowledge of how to teach particularly well; the elimination of all second language training funds for staff, including those in bilingual positions—and this is in a college which, above all the colleges in the province, ought to be bilingual; the reduction in travel budgets on the premise that travel be largely confined to the Algonquin area—that is “that the frequent requests that our staff be available in Toronto at the ministry and at provincial committees will receive negative answers”; a legitimate cut possibly, the identification of “doubtful starters” in programmes and an allowance that only half of them will be allowed to start; an equipment allocation on the teaching divisions of only \$330,000—

Hon. Mr. Auld: Excuse me. Only half of the doubtful starters will be allowed to start?

Mr. Cassidy: In other words, they won't budget for all of them, only for half of them; I'm saying that's probably legitimate.

I'm not saying there was nothing that could be cut out of this, I'm saying though that most of the cuts are illegitimate.

To continue: An equipment allocation on the teaching divisions of only \$330,000, one per cent of the overall budget, which will cover only priorities No. 1 and No. 2 equipment in the coming year, and which for the third consecutive year is forcing those divisions which are equipment-dependent to fall yet further behind in their material base.

The minister may recall that the Eastern Ontario Institute of Technology, which was established in 1957 or 1958, was the first prototype in the community college system and was established at the initiative of people in the Ottawa area. Some of the equipment being used on the Rideau campus of Algonquin, which is where the EOIT was originally built, is equipment that dates back from those years. You can't teach people to go into an era of solid state electronics if they are still using vacuum tubes.

I don't know if that's the case in that particular technology, but that's the kind of situation they are suffering from. They simply can't afford to get up-to-date equipment.

I can go on: The insistence, in a number of programmes, on students buying their own instructional supplies, in some cases to the extent of as much as \$300 per student, is ample to deter certain students from even taking the programme, the elimination of all instantaneous translation services at key open, college-wide meetings, such as their programme committee—again, in a college which is meant to be bilingual; in applied arts, the elimination of the proposed craft programme for native peoples—another racist action by the ministry; second-language training in English and French will be offered only to those students for whom it is an integral part of their programme—that is it will no longer be an available option.

This, Mr. Chairman, in a community where many of the new jobs coming available to community college students are in the federal government and where anybody who hopes for promotion in federal government employment and who wants to prepare themselves for it has got to learn the second language. If they learn it before they go into their federal government employment, then their chances of promotion and going up quickly are much greater.

The number of options and hours of instruction in French, English and the social sciences will be reduced. The scope for response to

legitimate but unexpected demands has been seriously reduced. In the business division, they are reducing the total number of electives offered to students within their programmes by 20 per cent. In continuing education, they are eliminating the proposed co-ordinator in Renfrew in the storefront operation that is planned there. There is elimination of the mobile counsellor for rural Lanark county. That means that in the counties served by Algonquin only Prescott and Russell will continue to get a mobile service from a continuing education co-ordinator.

There is a massive reduction. Remember, the guideline was no reduction in continuing education. There is a reduction of 191 of the 432 programmes being offered in continuing education in areas such as in Prescott and Russell, and this despite the fact that somewhere else they say all continuing education officers have been encouraged to seek the extension of their activities on the basis that the student fees received cover all costs. In fact, even that area where in effect the ministry is contributing next to nothing is being forced to be cut back because of the budget guidelines that are laid down here from Queen's Park. There is a significant reduction—

Hon. Mr. Auld: Just a moment, Mr. Chairman.

Mr. Cassidy: Just a minute, I'll finish this off.

Hon. Mr. Auld: The sections that the member has been reading were not laid down by Queen's Park. It was not a guideline.

Mr. Cassidy: They are forced by your funding, Mr. Minister.

Hon. Mr. Auld: The college has decided its own priorities within the money that is available to it from the taxpayers.

Mr. Cassidy: That is like saying—

Hon. Mr. Auld: I think there is a difference.

Mr. Cassidy: No.

Hon. Mr. Auld: Our guidelines did not indicate reductions in any areas.

Mr. Cassidy: That is like telling a mother on social assistance that it is her decision to feed her kids peanut butter sandwiches and rice and nothing else, when she pays an extra \$60 or \$70 a month beyond her housing allowance because nothing else is available on the market. That's the kind of situation that you put them in. You told them they can't close the doors. I agree that they can't close the doors.

Hon. Mr. Auld: I don't think that is a comparable analogy.

Mr. Cassidy: The pressure comes out somewhere, and it comes out in this case, among other areas, very severely in the area of continuing education. There is a significant reduction in all continuing education publicity throughout area 1, where there is the commitment to lifelong education as far as the ministry is concerned.

In the health sciences, continuing programmes in radiology, health records administration, ophthalmic dispensing and ambulance attendance programmes will not be initiated, even though agreements have been reached in order to offer those programmes for an upgrading of health services personnel in the Ottawa area. Serious cuts in supply budgets will affect both the quality and quantity of laboratory experience provided to Algonquin students. In addition, seven health sciences continuing education programmes will be eliminated, including physiology, dentistry, blood-banking, fluorescent antibodies and a reduction of day classes in the 11 remaining programmes.

In resource centres—that means the libraries—resource centre activities at the Byron campus at Perth and Hawkesbury are being much reduced with a real impact there on continuing education, and there are significant cutbacks in the resource-centre collections, and major cuts in the provision of maintenance of fundamental audio-visual equipment.

Hon. Mr. Auld: Do you mean they are reducing their collections?

Mr. Cassidy: That's what they say—"Significant cutbacks in a collection which in some areas, such as Rideau, is already strained well beyond capacity."

Hon. Mr. Auld: I am curious about that. I assume from that they are selling their books?

Mr. Cassidy: I don't know. Maybe they are not replacing them. It may be that they are simply unable to. They refer to the elimination of library activities in the development of media and innovative learning systems.

I might mention among other things that the budget for translation is frozen. This means, if they want to provide more courses in French in areas where the material is available only in English, they simply won't be able to afford to step up the translation of learning materials into French. And there goes your commitment to a bilingual college.

In summary, they talk about reductions in the economic management ranks which will have serious short- as well as long-term con-

sequences. Of all the areas, that is the area to which I would give probably the lowest priority.

They mention a long-term crippling of both the continuing education and resource thrust within the college—"two areas in which we are among the leaders in Canada in terms of planning, fundamental skills and groundwork laid." Health sciences and staff development as entities are at best, and they use the words, "preserved in aspic." In all academic divisions any genuine forward thrust or ability to respond to diverse communities in area 1 is negated. Tokens will undoubtedly remain. Such pressures and such purely human strains may result in a significant diminution in the calibre of educators at all levels who will remain associated with the college.

I am suggesting that a number will be forced to leave. About 80 positions are going to be eliminated and a number of others will simply quit on their own hook.

Hon. Mr. Auld: I think you will recall that about 40 of those 80 so-called position eliminations are positions that do not exist. They are proposed new ones.

Mr. Cassidy: That's right.

Hon. Mr. Auld: My understanding is that the actual situation will be that a number of people who were in the administrative field are going back to teaching—some 20 or 24.

Mr. Cassidy: That's right, they are bumping teachers in the process.

Hon. Mr. Auld: About a maximum of 10 probationary teachers may be affected who are presently on staff.

Mr. Cassidy: No, it is more than that. There are some 40 teaching positions affected, some of them by bumps and some of them firings or refusals to renew contracts.

The college had already moved—in January I think it was—to eliminate all contract or part-time teaching posts. They were virtually eliminated entirely. Among other things, that is a group on whom they have relied and with whom they have a kind of long-term contractual commitment. People have been teaching on that basis, doing one or two courses a year, stepping it up when there was a sudden jump in demand and easing off when there was a drop in demand over a period of years. Suddenly there is just no work there for that group at all.

Hon. Mr. Auld: It is a far cry from 140.

Mr. Cassidy: It is less than 140, I grant you that. But you have got to answer the questions about the quality of education that is being provided here. Bear in mind that the arbitration award will talk about a reduction in teaching work-loads and bear in mind that there is a projected increase in enrolment at the college this year.

Hon. Mr. Auld: The information I have is that something less than 10 probationary teachers will be let go—that was up to last week.

Mr. Cassidy: If attrition is normal. Attrition will be normal because of people who say, "To heck with it, I am going to get the heck out of here," and they will find jobs away from teaching. If that is your intention, then why on earth don't you try to keep the best teachers rather than compelling the best teachers to be the ones who leave?

I just want to close off on a general point, Mr. Chairman. Algonquin is a bilingual college. The costs of bilingualism are not recognized for Algonquin. There is simply no allowance in the current budget in order to allow any increase in the bilingual offerings of the college. The increase is of the order of 11 per cent, and that is at best a status quo.

The college estimates it spends a good deal more than \$1 million a year in order to provide a bilingual capability, for obvious reasons. The group to be served is smaller and there is still development going on in order to get francophone students involved in Algonquin. The programmes tend to be smaller and the number of students per course tend to be smaller and therefore the costs tend to be higher. Those are not recognized.

Hon. Mr. Auld: I think they are recognized but they are not recognized to the extent that the college would like to see them. I must say that I have some sympathy in part of that situation.

Mr. Cassidy: Did you fight in the social development committee on that?

Hon. Mr. Auld: The province adds considerably, as I said yesterday, to the bilingual grant which we receive from Ottawa to try to deal with some of those anomalies. The amount for 1975-1976 for Algonquin is \$1,140,000.

Mr. D. M. Deacon (York Centre): Was the \$1.14 million made available by Ottawa?

Hon. Mr. Auld: No, by us and Ottawa. As I mentioned when perhaps you weren't here, Ottawa has a formula that is applicable to all the provinces. We add to it. We don't neces-

sarily distribute it on this formula to the universities, because it is not as easy as the simple application of the formula might indicate. We do add to it, because it isn't adequate for certain situations. I am not arguing that it wouldn't be helpful in some circumstances to have more.

Here, again, it is a question of there being just so many dollars—and do we put it in student aid, do we put it in capital, do we put it in operating grants, special grants, and that sort of thing. Actually, Algonquin has one of the largest increases in total percentage of revenue this year. I think it is something in the order of 18 per cent and total support for 1975-1976 is \$20,638,566.

That's not including federal manpower or training in business and industry, which is another \$4.5 million or \$4.75 million.

Mr. Cassidy: The amount is about a 14 per cent increase, according to the budget. I have gone through this—

Hon. Mr. Auld: According to our figures it is about 18 per cent.

Mr. Deacon: Can't we clarify this, because 14 per cent is a lot different from 18 per cent? How do these figures come out differently?

Mr. Cassidy: Well, the ministry has got to explain that one. I honestly don't know.

Hon. Mr. Auld: In all the institutions the increase in provincial grant is approximately 18 per cent, but since there is no increase in fee, if you take the fee portion and add that in, and it's the same amount, you reduce the total increase to 14 per cent.

Mr. Deacon: Well, in view of the fact that colleges—

Mr. Cassidy: Sir, can you say that again? The money being provided by Queen's Park to Algonquin is going up by what percentage?

Hon. Mr. Auld: By 18 per cent.

Mr. Cassidy: Are you willing to go on record on that? Are you willing to provide 18 per cent more money from Queen's Park than you provided last year?

Hon. Mr. Auld: That is exactly what we are doing.

Mr. Cassidy: Are you willing to provide them with that?

Hon. Mr. Auld: For post-secondary courses.

Mr. Deacon: Does that mean post-secondary courses as opposed to manpower courses? Can you clarify this? What are the amounts? Let's get it straight. What were the amounts you gave them last year?

Hon. Mr. Auld: These are post-secondary courses, because there are other things they do, non-credit things, and so on. Does someone want to give the breakdown of that?

Mr. Jackson: The operating grants provided by the government to the colleges are in two parts. One is for post-secondary fee-paying students. The other is for the sponsored training purchased by the federal government and the apprentices who are trained in the college system. The grant that is calculated for Algonquin for post-secondary purposes for 1975-1976, which is always subject to enrolment audit in the final adjustment, is \$20,838,000. For the adult training days and the apprenticeships, there is an additional \$4,678,000. In addition to that, the colleges collect and retain a tuition fee of \$250 for a full-time student for a two-semester year.

Hon. Mr. Auld: And certain other fees for their part-time courses.

Mr. Cassidy: What was the amount—what's comparable with that \$20,838,000?

Mr. Deacon: For 1975.

Mr. Cassidy: For 1975-1976. How much did they receive in 1974-1975?

I think the minister is deluding himself on this one. I deplore the fact that we get to the point of sort of dickering over an extra four per cent. We should be talking about the kinds of programmes being offered by the colleges. But since the minister chooses to reduce it to that, then we've got no choice. If I can get two per cent more for Algonquin College, then some of the purposes that I'm here for today can be achieved. What is the figure for the previous year?

Mr. Jackson: For 1974-1975 it was \$16,878,700.

Mr. Deacon: It's a \$4-million increase.

Mr. Cassidy: There's something very funny there, because the total provincial support which Algonquin indicates, subject to completion of its audit, is \$18,361,000. You're playing some games there, because you're indicating that Algonquin's provincial support is going from \$16.8 million to \$20.8 million, which is an increase of \$4 million or 24 per cent. There must have been increased funds given to Algonquin during the course of 1974-

1975 in relation to the salary award or other things like that. Is that it?

Hon. Mr. Auld: That is probably the difference. Herb, have you got the figure of the number of dollars that was available after the salary award to the faculty?

Mr. Jackson: Algonquin was provided an additional \$98,600 for a retroactive part of the salary award to the faculty.

Mr. Deacon: What's the figure for sponsored training and apprenticeship in 1974-1975?

Mr. Jackson: In 1974-1975 there was about \$3.7 million for federal students, and \$748,000 for apprentice training.

Mr. Deacon: That's roughly \$4.5 million between the two, compared with \$4,678,000.

Mr. Jackson: Yes.

Mr. Deacon: So that's nothing really.

Mr. Cassidy: I'll read the figures into the record, Mr. Chairman, and at some point maybe the college people can get together with Mr. Adams or maybe the minister might even deign to give them a few precious minutes of his time, in order to focus on the problems of Algonquin College.

Their figures, in the information which is now on the minister's desk, indicate the total provincial support in 1974-1975 was \$18,361,659 and that there was an increase of \$2.6 million to \$20,991,071 in 1975-1976. The figure for 1975-1976 is about \$150,000 more than the figure which was given by the ministry. That kind of difference is reconcilable; they may be estimating on a slightly different basis than the ministry. But obviously the ministry is deluding itself in saying, "Look, these guys are doing terrific. They're getting a 25 per cent increase." This indicates a 14 per cent overall increase which compares, I would point out, Mr. Chairman—

Hon. Mr. Auld: The figure I have, as I say, is 18 per cent.

Mr. Cassidy: —with an increase of \$41 million in the grants to colleges of applied arts and technology and so on, or an increase of about 15.5 per cent. In other words, Algonquin's grants, far from exceeding the norm for the province, fall below it.

If I can just talk about the general problem once more. Algonquin is a large college; it also has a large number of campuses.

Hon. Mr. Auld: The norm for the province was 15.4 per cent.

Mr. Cassidy: Okay, 15.5 per cent. Algonquin is getting 14 per cent; it is getting less than the rate of increase. That's what its figures show.

Hon. Mr. Auld: That's what their figures show, the ones you have read. I'll have an opportunity, perhaps at lunch time, to take a look at that material.

Mr. Cassidy: Fine, I would be interested in finding out. But I think they're down to the business of counting every penny, and it's pretty difficult for them not to get these figures correct.

Algonquin was gifted with a variety of provincial institutions, which explains the fact that it's got a rather illogical structure within the Ottawa area; because of the needs of eastern Ontario it has campuses that are spread over a distance of 175 miles. None of that is reflected in the grants of the ministry. The ministry just assumes that Algonquin is in much the same position as a college like the one up in Waterloo, Conestoga, which has got only one campus, which invested in an educational palace but where the maintenance and operating and staffing costs are liable to be somewhat less because of the economics of scale of having everybody all in one place. Algonquin definitely doesn't have everybody all in one place.

Hon. Mr. Auld: St. Lawrence is spread over 112 miles.

Mr. Cassidy: Yes, but St. Lawrence, because it's a smaller college, benefits from a K-factor which Algonquin does not get. You'd find the grants for St. Lawrence run around 25 per cent higher per student—maybe 15 per cent, I'm not sure—but substantially higher than those for Algonquin, despite the fact that Algonquin is a large college which operates the equivalent of a St. Lawrence College up and down the Ottawa Valley, and that is not recognized. You don't recognize the bilingual problems; or you recognize them inadequately and you force the college into the kind of desperate measure that it's been taking.

I say all of this out of complete frustration. I don't expect any satisfactory answers from the minister. I think the minister has gone beyond the point where he can give any satisfactory answers, because, frankly, I don't think he gives a damn and I really deplore that. As a member of this House and a colleague, a fellow MPP, I deplore the fact that colleges and universities are run by a minister who gives so little concern about them.

I do have one other matter, but maybe the minister might like to reply?

Hon. Mr. Auld: I suppose I would simply say that if you didn't really expect one then I wouldn't want to disappoint you. I have made some comments en route and I'll find out the discrepancy between these figures and—

Mr. Laughren: One reason why our expectations are so low are answers like that.

Mr. Cassidy: What are you going to do for Algonquin College? What is your commitment to any kind of quality, any kind of continuing education?

Hon. Mr. Auld: I have said in the House that Algonquin and all the colleges are having a difficult time because there are not as many dollars available as they would like to have to continue their expansion. I'm confident that they are going to be able to continue and be successful in the light of the money that is available and that, without doubt, there will be some courses which will not be available in all the colleges and there may be some consolidation. It will be inconvenient for some students. I think it is unlikely that there will be further operating funds available this year, but we will co-operate with them as best we can in assisting them to make reductions and to continue their level of services.

Mr. Cassidy: As long as no spending is required. Philosophically, Mr. Minister, if the Algonquin board is told that the policy of this ministry has changed, and if it is no longer to provide as wide a range as possible of programmes within the community but to concentrate on a few programmes with large numbers of students, then I suppose the board will go ahead and do it. At least you'll be carrying the can.

Is it your policy that only large programmes that can offer substantial economies of scale should be provided by a college like Algonquin, and that students who want a specialized type of programme should travel to other parts of the province?

Hon. Mr. Auld: Not at all. I have said that the colleges should still operate in the way they have been in the past, where their board decides those things that are of highest priority in the areas that they are set up to serve, and that within the limits of the funds available they set their own priority.

Mr. Cassidy: You guys never recognize that the funds have a determining impact on policies. That kind of thing is a bunch of bull. You pass the can to the people up in Ottawa when they haven't got the funds to operate in the way they have been doing in the past.

Hon. Mr. Auld: My gracious, of course I know that.

Mr. Cassidy: You know that? Well, I wish you would recognize it. Mr. Chairman, I want to raise one other question as well. What's the ministry's policy with regard to access to training programmes for women with children in the province?

Hon. Mr. Auld: As far as the colleges are concerned academically, in terms of admission standards and so on, they are exactly the same for men and women, with or without children. I think I know what he's getting at.

Mr. Cassidy: Sure.

Hon. Mr. Auld: As far as the provision of daycare centres and so on is concerned, I suppose it's part of the overall provincial policy that there is no special funding through the Ministry of Colleges and Universities for that service, as there is not for certain other services on campus at the present time.

Mr. Cassidy: What are you going to do about it? Will you accept that there is gross discrimination against mothers with young children who want to take training or retraining because they simply cannot get access to day care for their kids in the normal notice of a week or two that they get of being accepted for a manpower training programme?

Hon. Mr. Auld: In certain circumstances the new grant programme will assist in the financing of such day care. But as for a programme within the ministry, a capital programme and then operating support for daycare centres, we are not at the stage yet where we can provide this.

Mr. Cassidy: Can you then give me some details—

Hon. Mr. Auld: I think if it were to happen, we would probably do it as has been discussed in a general way with Community and Social Services.

Mr. Cassidy: I had a letter from the Minister of Community and Social Services (Mr. Brunelle) last month on the subject of day care at Algonquin. I'll say this to Dr. Parr—I don't know if this has trickled through to the senior officials or not—it's now been more than two years that a group of people who were concerned, a number of whom are students or former students in the training programmes at Algonquin, have been trying to get a very simple goal, which is daycare facilities at the college, and they have been frustrated at every turn. The college has expressed some sympathy

but, given the kind of savage spending restraints imposed by the ministry, they haven't been able to do anything about it. This is the letter from the hon. Mr. Brunelle:

I feel you will be pleased to know that a recent meeting of representatives from Colleges and Universities and this ministry has advanced our efforts towards meeting the special needs of these students. Discussions have centered around the ways in which these two ministries can join forces to implement a service which will be appropriate and within the limits of funds available from each.

Not within the limits of the needs; not within the goals of achieving an equality of treatment of young women with kids and women without kids or men without kids in terms of access to training, but within the limits of the funds.

A proposal for a demonstration project is being drafted.

Now, could the minister say what he's going to do? What is your demonstration project?

Hon. Mr. Auld: I'm afraid that I couldn't give you the details. No doubt we will get them from Mr. Brunelle. I understand he has several sorts of proposals in this connection, and I can't say today exactly where they are going to happen or when.

Mr. Cassidy: And you are not willing to give any funds to it at all. Is that right?

Hon. Mr. Auld: At the present time there is no provision for it.

Mr. Cassidy: There is no provision for funds. Let's put that on record with the Status of Women Council of Ontario. Let's face it Mr. Minister: I think it's estimated that there are 100,000 women in the province who are sole-support mothers, many of whom want to get back into the work force or want to upgrade their skills in order that they can get a decent job, which is a perfectly legitimate kind of need, and many of whom have children below school age.

That's a very significant group. They are a significant drain, if you will, on the funds of the province because many of them are in receipt of social assistance. The way out for many of them is training or retraining. When they go down to the Canada Manpower Centre they say, "I hear you've got a great programme in bookkeeping or in health sciences," or "I want to become an architectural surveyor. You've got a good nine-month course in that. Can I do it, please?"

Firstly, they've got to deal with the chauvinism of the manpower counsellor, who

doesn't believe that women's needs for re-training are nearly as legitimate as those of men. Then they've got to deal with the same kinds of attitudes in many cases on behalf of people in the colleges. Then when they've got over that hurdle, eventually they get on the list. They then get people who will say, "If you are going to come into this you'd better behave like a man," and hence expect that since men are normally given only a couple of weeks' notice of entry into the programme, the woman would be able to do that as well.

And what does she do? There she is, she has a child of one year and another child of 2½ or three, whom she has been looking after. She has all the economic problems of living on a very inadequate income, hasn't got resources in terms of family, in terms of a fairy godmother who will come in and take over the child, and there is no daycare.

One of the ministries said, "We will get a daycare counsellor"; and the college's reaction to that is savage because they say, "Look, all the daycare counsellor can do is advise the person that no daycare is available." That's not very much good. What are you going to do? If you believe that women should have equal access to these courses as men, then it seems to me you have got to do more than say, "There are no funds provided at this time."

Hon. Mr. Auld: I am not aware of what funds the Ministry of Community and Social Services may have, or what sort of priority in that minister's concern daycare centres in post-secondary institutions have in relation to other daycare centres, and so I really can't answer that question. But I think that the hon. member would agree that it's primarily a matter for the Ministry of Community and Social Services, and that we should be working in conjunction with them, which is what we are doing.

Mr. Cassidy: That's like saying that the question of equal opportunity for women teachers in the community colleges is a matter for the women's bureau in the Ministry of Labour, rather than a matter for your ministry and the community colleges. I don't accept that.

Hon. Mr. Auld: No, I don't think so. I think it is probably a matter for both of us.

Mr. Cassidy: For both of you, fair enough. It's a shared responsibility, but I am asking you to take your share of the responsibility and not to try to shove it off on another ministry. You sit in the social development committee with Mr. Brunelle and the Provincial Secretary for Social Development (Mrs. Birch); you could easily raise it there and start to talk about it.

You could announce a programme and start to do it on a pilot basis.

Mr. Deacon: Does that committee ever meet?

Hon. Mr. Auld: Every Thursday.

Mr. Cassidy: Does it ever do anything?

Mr. Laughren: That's different.

Hon. Mr. Auld: Yes, indeed, every Thursday at 8:30 a.m.

Mr. Cassidy: One of the purposes of this committee is at least to vent one's frustration and get these issues on the record. I hope that the ministry staff has taken some of this to heart—as I hope you have, Mr. Minister—and I hope that they are able to sway you, since I think that the single biggest problem in the ministry is the minister.

Mr. Laughren: That's right, that's right.

Hon. Mr. Auld: Bless your heart.

Mr. Chairman: Mr. Deacon.

Mr. Deacon: Yes. First of all in the Algonquin situation, what is the total income from student fees reported by Algonquin last year?

Mr. Jackson: We are getting that checked, but we can have that after lunch.

Mr. Deacon: Fine, because we would like to have that information, and what part of that is for part-time students.

Hon. Mr. Auld: Both full-time and part-time, eh?

Mr. Jackson: Yes, we can get the total.

Mr. Deacon: Maybe the minister could explain the rationale between having a limit of \$250 on the full-time students, and then leaving it to the colleges' discretion with regard to part-time students' fees. Frankly, I feel that neither should be regulated, but I would be interested to hear from you.

Hon. Mr. Auld: Originally, when the community college fee was \$150 for full-time attendance, I understand there was a fee set by the ministry of \$25 for most part-time courses. When the fee was increased to \$250 there was a proposed increase in the part-time standard fee. However, in consultation with the colleges—I assume through the Council of Regents—it was decided then that the colleges would be free to charge whatever fee they wished for their part-time courses, because in matters of supply and demand, enrolment in

larger communities compared to smaller communities, there was quite a difference in cost. Consequently, since the full-time fee was increased to \$250, which was in 1972, the policy has been that the colleges can set their own fees for part-time students; although they have to do it, of course, within the context of their total costs and the provincial support that they are getting for full-time and part-time students.

Mr. Deacon: I find it very hard to understand this rationale. Here we are trying to encourage students to come back into the system; hopefully, while they are working and earning their own way and getting the practical experience out in the working community and at the same time coming in and improving themselves in these courses. I just don't understand why we even originally had a \$25 to \$150 relationship which means the part-time student was paying double for his tuition.

Hon. Mr. Auld: I think that is the correct figure, isn't it?

Mr. Jackson: Yes, Mr. Chairman. It was based on the six courses making up the equivalent of a full year's work so that the part-time fee was one-sixth of the full-time fee.

Mr. Deacon: I understood that it took 12 courses to make the equivalent of one year.

Mr. Jackson: Twelve half courses possibly. Some colleges may be working on that basis.

Mr. Deacon: I understood from what they said that they pay \$25 each semester and it takes two semesters to finish a course from the way you are evaluating it when you talk about six courses. So it's \$50 then. It was \$50 on the basis of your old \$25 fee and \$150 for the others. There is double the cost to a part-time student than to a full-time student.

That relationship, I understand, generally is still prevailing. Now that you have abandoned the restriction on the part-time courses, I think you should be abandoning it right through the fees.

Hon. Mr. Auld: I guess I gave you the copy.

Mr. Deacon: I have got this list of variations in tuition fees, but I have also checked and found that what I had indicated to you earlier was still the case. In the majority of the courses the part-time student is paying about double for his tuition, for the equivalent diploma or qualifications.

Hon. Mr. Auld: I just don't quite understand how. As I say, my understanding is that even if

it were in one of the higher ranges, like \$30 or \$40—

Mr. Deacon: Well, \$50 is the general range. They go from \$3 at Conestoga for a course—it's the lowest—to \$100 at Sault. They vary in those extremes.

Hon. Mr. Auld: The one at Sault at \$100, what is it again?

Mr. Deacon: In engineering, they vary from \$70 to \$330. They are away up.

Hon. Mr. Auld: It is true that within colleges there is a variation depending on the cost of the course.

Mr. Deacon: That's right. It seems to me that is logical to allow the colleges to have a variation in the fees they can charge. I don't understand this idea of a flat fee for everything. If you don't provide for that right through the fees, you are not being consistent.

Hon. Mr. Auld: I suppose the rationale would be that as far as the regular courses are concerned there is far less variation in cost to the college, assuming that there is some kind of an enrolment than there is in the part-time courses.

Mr. Deacon: Have you any evidence to support that? I just can't imagine a part-time course in engineering is going to be any more costly than a full-time course as far as the college is concerned.

Hon. Mr. Auld: No, I mean a full-time course's cost would not vary as much between colleges as a part-time course.

Mr. Deacon: Right. That's correct, because you are leaving them discretion as far as the costs go. Are you talking about cost to the student?

Hon. Mr. Auld: No, I'm talking about the cost to the college, which in turn relates to what fee they charge for the part-time courses.

Mr. Deacon: I am not talking about that. I feel that the minister should be consistent in this whole programme; either give the colleges discretion right through with the fees or have no discretion. Set down what they are going to charge and be sure that the part-time fee works out to even less than the full-time, because we do want to encourage those people to get a good practical training and come back into the system. We have found that your most motivated people are so often shown to be part-time students.

Hon. Mr. Auld: I think if we were to do that we might get in a situation that we looked at yesterday in those figures of the percentage of fees to cost in the universities in 1950, and the fee level because, as I recall it, U of T fees were down to about 37 per cent of the revenue and some of the newer and smaller institutions were up to about 60 and I would interpret that—

Mr. Deacon: It's the other way around, I think.

Hon. Mr. Auld: I haven't got around to producing it yet.

Mr. Deacon: I have it here somewhere.

Hon. Mr. Auld: I would interpret that as being unfair to students who were not admitted to a university with a big endowment fund in those days when there was a subsidy to the student through fees, compared to the costs of the student who went to a newer university.

Mr. Deacon: Endowment funds and things like that aren't part of the community college scene.

Hon. Mr. Auld: I know, but what I am getting at is if we were to say that the colleges or the universities at the moment, could charge any fee they wanted, it could well be that certain institutions would have an advantage because of geography, because of endowment, because of various other costs and revenue figures.

Mr. Deacon: Universities—let's get back to colleges. It's got nothing to do with endowment. Obviously you already have something in the formula to provide for the smaller colleges, an incentive or a help to the smaller institutions and I go along with that. Any distribution on a common sense basis would provide for that. I still say those things should be left to the college because right now you are getting a serious distortion with a very low fee for a very high cost course which results in a much higher revenue potential for the student when he is finished.

I think there should be room for the colleges to move in this matter. If you see it is going out of line there is going to be a protest in the community about it. I just can't see it. Either you should have a rule right down the line—this is what they are going to charge—and have it right across the board instead of having this tremendous variation you now allow for part-time students; or you should leave the full flexibility with the community colleges to be responsible for and accountable to the community with regard to the fees they are charging.

Hon. Mr. Auld: Dr. Parr knows more of the history of this. Perhaps you have some other good comments?

Dr. Parr: Not to talk about the fee-setting matter but with respect to the part-time fee, I believe this should be approximately one-sixth of the fee for the full-time student. What may have happened is that on occasions where a course is for one semester instead of for the whole year they may have applied the same fee structure to the one-semester course. We will check into this to see where those anomalies arise.

Mr. Deacon: I think you will find it does. I think you will find the fees for the part-time courses are for one term or one semester whereas for the full-time student the fee applies for the whole year. I come back again to this whole question—I think you should be ensuring to the greatest degree possible that the part-time student is paying no more than the full-time student. I would think you would also be looking at the matter of the fees bearing some relationship to the cost of the courses and certainly to the student's earnings potential as a result of the course. That was the main point I have on this.

Mr. Chairman: Shall item 2 carry?

Mr. J. Riddell (Huron): I want to ask this question: Do you know whether the difficult financial situation the universities and colleges find themselves in at the present time has led to the departure of the more highly qualified and more capable members of the teaching staff, to accept employment in the States and elsewhere? Has it been very difficult for colleges and universities to attract good teaching staff because they cannot offer the same salary they can get elsewhere?

Hon. Mr. Auld: I can't really answer that definitively, perhaps Dr. Parr can. I would say first of all it would be a little soon, really, to get any figures, if there are any available.

Mr. Laughren: Why do you think Dr. Parr left?

Hon. Mr. Auld: Secondly, I would say the situation we face in this province is similar to that faced in the other provinces and in the western world—Britain and certainly the US, from what I read. I read on the weekend a press clipping about a situation in Florida. The state portion of funding is tied to revenues from certain taxes, and it has dropped—I've forgotten what it was; it's a far lesser portion of state support there—but I think revenue was down in this particular allotted fund by about

\$25 million. This was going to mean a layoff of staff and so on.

I would be surprised if there had been any significant effect, such as you're asking about; but perhaps you know something.

Mr. Riddell: The reason I ask that question is that I quite frequently talk to post-graduate students at the University of Western Ontario. Some have been offered positions with the university and have been unable to accept because they have been offered far better salaries to employ their talents elsewhere, either in the US or in other provinces. They also tell me that they're not able to attract good teachers to the universities and they say it's because of the present difficult financial situations that they're in.

Hon. Mr. Auld: Have they been going to employment in teaching, or was this outside of teaching in the post-graduate area?

Mr. Riddell: No, no, in teaching. They have far better opportunities in the US—they are being offered far better opportunities in the States than they are here; and I think it's a crime.

Hon. Mr. Auld: There may be some who are in that position, because two things have happened here as I understand it. The great expansion in the Sixties meant that we have far less retirement because of age, because there was a great increase in younger faculty. And this is one of the problems that I read about between the universities and the faculty association, because they're talking about earlier retirements and so on. There is a very unusually large proportion of faculty in the, say 35 to 50 or 55 age group. And there are not—

Mr. Deacon: That's a one per cent attrition rate that you're talking about, which I was amazed at. It means normally that the faculty works an average of 100 years.

Hon. Mr. Auld: In some of the fields there have perhaps been more students trained than the Canadian market requires. Our expansion started to taper off in the early Fifties, and so there have not been anything like the number of opportunities—and there is always a lag. But I think Dr. Parr, who is an academic and perhaps knows more about this, might have some comments.

Dr. Parr: Salaries in the universities are comparable across Canada. In the States it's very varied, depending upon what particular kind of institution you are talking of. There are great disparities in the salary ranges across the States. I'm not aware of any significantly greater flow of academics from this province

to other places this last year or so. In the college area, Mr. Jackson tells me that there is no indication of this either, and the salary rates compare very favourably with other jurisdictions.

Mr. Laughren: The lowest rate in Ontario is Windsor, isn't it?

Dr. Parr: One of the things which may quite frequently happen is the dependence upon what kind of position is being called for. It may be that a person has an opportunity of several positions in his field, but different ranks are being looked for—and so there can be disparities of that kind. But we're not aware of any great change currently in this situation.

Mr. Riddell: So, again, using the University of Western Ontario as an example, you're inclined to think that the professors are staying on—that the good professors are not being drawn into the States because they are able to—

Dr. Parr: Not disproportionately from other times. There are always occasions, of course, when somebody at a particular rank will have an offer at a higher rank at some other institution either in this country or in the States. And if it is particularly attractive in terms of salary, and he feels like a change, then there is some movement. This, of course, is a very healthy thing within the system. If it's particularly driven by a low salary structure, then that's something else again, and I'm not aware of that being the case.

Mr. Riddell: Thank you.

Mr. Chairman: Item 2 carried?

Carried. Item 4. Carried?

Mr. Laughren: No.

Mr. Deacon: I was going to ask how many are in that registered nursing assistants programme now and how is the job experience.

Hon. Mr. Auld: Sybil, do you have the figures?

Mr. Deacon: How many are in that registered nursing assistants programme, and how are their job opportunities working out?

Mrs. S. D. Pulsford (Officer in Charge, Registered Nursing Assistant Schools): In the calendar year 1974, we enrolled about 850 students in the programme and most of the graduates managed to obtain employment within a six-week period after graduation.

Mr. Deacon: How many graduated?

Mrs. Pulsford: For 1974, 690.

Mr. Deacon: And how many are seeking enrolment? Are you accepting almost everybody?

Mrs. Pulsford: We have oversubscribed courses. We have really a one-year waiting period in some programmes.

Mr. Deacon: In all programmes or just in some?

Mrs. Pulsford: Some.

Mr. Deacon: In some areas? What areas are they?

Mrs. Pulsford: Hamilton and London.

Mr. Deacon: Have you a lot of vacancies in other areas?

Mrs. Pulsford: Thunder Bay and Sudbury often don't reach full enrolment. That's changing, even with this last enrolment, because we find that it reflects the unemployment situation. If jobs are hard to get we seem to get fuller enrolment.

Mr. Deacon: Thank you very much.

Mr. Chairman: Mr. Riddell.

Mr. Riddell: Yes, I'd like to know who makes the decision as to whether a certain course will be offered at a community college or whether it won't be offered. I have received a good number of letters from young ladies in my riding, and I think the member for Ottawa Centre touched on this. These are ladies who are supporting children, they no longer have a husband, and they would like to take the nursing assistants course at a college.

You realize in my area we have a branch of Conestoga College in Clinton. They have made application to take an RNA course there, only to be turned down because they don't have a course there at the present time and it is questionable whether or not they are going to have courses there, so I wrote back saying their only alternative is to go to Wingham to the training centre there. I am not too sure how long Wingham is going to have a training course for girls who want to take this RNA course. The only other thing they can do is go to Guelph.

How can a girl who is supporting a family of maybe two or three children, aged from one to five years, commute back and forth to Guelph in order to take an RNA course? There are several ladies in my area who would like to take this course; we have got a branch of a community college in Clinton, and yet the course isn't being offered and it doesn't look as if it is going to be offered. Who makes the decision?

Hon. Mr. Auld: Jack, perhaps I might answer the first part of your question. Generally speaking, there is a request from a group in the community for a course of some kind at a community college. The college, if it feels that it can do this, would relay this request, with its own request that they be allowed to mount the course, to the Council of Regents who, in turn, would recommend to me whether or not the course should be run there, and they'd be looking at job opportunities, costs, whether other courses nearby were similar and underfilled or overfilled and that sort of thing. As far as nursing is concerned, there are certain other problems about clinical facilities and so on, but perhaps, Sybil, you could talk about that end of it. I don't recall, that may have gone to the Council of Regents and they just didn't recommend it, so I wouldn't hear about it. I don't recall getting a recommendation and turning it down.

Mrs. Pulsford: Mr. Chairman, I think we are looking at the Manpower programmes, and Manpower have only supported two RNA programmes. They do this on the premise that if courses are oversubscribed, then they are really not fulfilling a need by encouraging any more people. Their mandate is really to fulfil those needs in the community which can't be met in other ways. Therefore, if we are meeting the need for RNAs in the normal way, they don't really need to be supplying too many Manpower courses. This does make it unfortunate for people who need that support.

Mr. Riddell: In this particular case, when I suggested that she try to register in the course offered at Wingham, she did so; and her letter back to me states:

I wish to thank you for your reply to my inquiry. As you advised, I applied to Wingham to take the RNA course as I feel it is within commuting distance.

The reply I received was that the age limit is 45 years (I am 46) and all students must have grade 12. The brochure put out by the Ontario Ministry of Colleges and Universities clearly states grade 10 and only specifies 17 years of age — no younger.

I had previously talked to Wingham by telephone and at that time neither my age nor education was in any way a problem. I sent a photostat of your letter to me when I asked to apply.

Is Wingham allowed to set its own requirements? I feel even if I did manage to enrol, they really don't want anyone my age and could make it most uncomfortable for me. Therefore, I would appreciate it if at any time you receive word of the commu-

nity college in Clinton establishing a RNA course, you would notify me.

London and Guelph accept grade 10 and my age is no barrier, but with a daughter at home, still in school, I feel I should try to be within commuting distance if at all possible. I feel she needs to have one parent at least. Thanks again for your concern and assistance. My family and I appreciate it.

Now, how can you turn down ladies like that?

Mr. Laughren: I think the Human Rights Commission might be interested in that refusal based on age as well.

Mrs. Pulsford: You see, that is the minimum requirement that has been established within nursing legislation, but any school can set its own requirements above that basic minimum.

Mr. Riddell: Well, I agree; I think it is a crime to turn a lady down because she is 46 years of age.

Mr. Laughren: It is against the law, isn't it?

Mr. Deacon: Some of our very best nursing assistants are people over 50.

Mrs. Pulsford: Many of our own students are over that age.

Mr. Deacon: It is extraordinary to turn away such women.

Mrs. Pulsford: But, you see, if one particular area is managing to get enough people into its programme at that younger age limit, then this is what they will set.

Mr. Riddell: So they are quite within their rights to establish a certain age limit?

Mr. Laughren: I don't think so.

Mrs. Pulsford: Well, in terms that they can make that decision for themselves —

Mr. Laughren: Except the ministry perhaps.

Mrs. Pulsford: No, the ministry has no jurisdiction over those hospital programmes.

Mr. Laughren: I realize that, but that surely violates the Human Rights Code in Ontario.

Hon. Mr. Auld: I must say I wasn't aware of that but I would be interested in it.

Mr. Deacon: I would think this is something the Minister of Health (Mr. Miller) could help with too; maybe this is something you could bring up at tomorrow's meeting.

Hon. Mr. Auld: I have got a couple of other things too, Don, but—

Mr. Deacon: But this is rather important, I would think.

Hon. Mr. Auld: I would like to find out about that. I assume this is a Manpower programme.

Mrs. Pulsford: This would be a hospital programme in Clinton, so it would be the board of governors at that hospital that would be helping in the decision for admission to that programme.

Hon. Mr. Auld: Could you give me the background on that, Jack?

Mr. Deacon: I am sure a letter from the Minister of Health, bringing their attention to the matter, would have some effect.

Mr. M. Gaunt (Huron-Bruce): Mr. Chairman, I have a very closely related matter that I would like to mention here. It concerns this matter of registered nursing assistants. I can understand and I fully agree with what has been said in relation to this particular lady and her obvious need; I think there is something wrong there somewhere, and perhaps the minister should pursue that. A refusal on the basis of age, to my mind, is certainly not valid.

There is another problem I want to relate concerning Wingham and Guelph. Wingham does have a programme associated with its hospital. Guelph has a programme within the community college. We have a good many students coming out of the Wingham high school, and Wingham is only one area which Guelph would serve in this regard—

Hon. Mr. Auld: Murray, I might just say to Jack that I am informed that the situation that Jack was talking about is not one of our schools. It is still a hospital school.

Mr. Gaunt: It is still a hospital school. That's right. That's quite right.

Hon. Mr. Auld: So we will pursue that through the Ministry of Health.

Mr. Gaunt: That's right; it's still a hospital school. They are negotiating, I believe, with the college system to phase that out and put it into the college stream, but as yet that hasn't been done and it is still a hospital school. That's quite correct.

In any event, the teacher who teaches guidance at the Wingham and District High School approached me with respect to the good number of young people who are coming out of the high school system and want to go into a registered nursing assistants programme. They try to get into Wingham, but

Wingham is oversubscribed; they get many many more applications than they can handle. So he has been referring them to the programme that is undertaken by the community college at Guelph. But for some reason, they have a system whereby they allocate 80 to 85 per cent—I am working from memory but I think it's about that—of the seats for this programme to Canada Manpower. As a result, the young people coming out of the high school system only have a very small number of seats available to them. You can imagine what sort of competition is involved for those small number of seats, because Wingham is only one area which is served by the Guelph school.

My first query on that basis is, is that a decision that is made exclusively by the college itself? Do they have an arrangement with Canada Manpower that Canada Manpower purchases these seats? Are they absolutely free to make that judgement as to the number of seats they sell to Canada Manpower, or is there any guideline set down by the ministry here?

Hon. Mr. Auld: No, again that's one of those things where they are dealing in the community, and I assume they are dealing with another agency that has made this request and this is what the board has decided should be their priority. It is really up to the board of the college, isn't it, Sybil?

Mrs. Pulsford: Conestoga and Timmins are unique in the fact that they have been the two programmes picked up by Manpower. So they do send students from other parts of the country, which leaves them—

Hon. Mr. Auld: Oh, you mean all the people Manpower sends for RNA go to those two?

Mrs. Pulsford: Yes. The Manpower students that they will support go to either Timmins or Conestoga, so it doesn't leave too much room for their own students.

Mr. Gaunt: Well, there has certainly been some pressures exerted for Conestoga to expand that programme, and I understand that they are going to do that. They are in the process of taking a look at it and presumably they will expand it. Certainly if they are responding to the need, they will expand it.

Mrs. Pulsford: Well, they will as far as they can in terms of the clinical resources in the area.

Mr. Gaunt: That's a limiting factor, I would agree. But I think there's another side to it too. Am I not correct in saying that the college is rather happy with that arrangement

because it can get more financial assistance through the Canada Manpower route than through the other stream? Am I correct in saying that? That was the understanding I had.

Hon. Mr. Auld: I don't think it is more. What the college charges Manpower is really what our cost is. Is that not right?

Mrs. Pulsford: I understand it's a per diem rate. I think Mr. Constable knows more about the Manpower aspect.

Hon. Mr. Auld: It's based on our audited costs. Every year at the end of the year we seem to have a little correspondence back and forth as to what our figures and the federal figures are. It's a per diem, but the per diem is established on the basis of our costs, overhead and that sort of thing. Is that not correct?

Mr. H. A. Constable (Administrator, Adult Training, Manpower Training Branch): That's correct.

Mr. Gaunt: There wouldn't be any financial incentive then for the college to go the Canada Manpower route, as opposed to the other stream?

Hon. Mr. Auld: As I say, I recall correspondence with Mr. Andras, when we've been arguing about some of these costs and setting the per diem and so on. The feds look at it pretty carefully. They come and audit the college's operation. Although I think they set a per diem, it would be the same in every college. You may find it's an average. Some colleges may have slightly higher costs than others.

Mr. Gaunt: In terms of the clinical capacity, I think there's more room for nursing assistant students to move through the college of applied arts.

Hon. Mr. Auld: You're talking about the Guelph operation?

Mr. Gaunt: Yes, Guelph.

Hon. Mr. Auld: Apparently there is, but whether there is enough clinical capacity to expand it to the point where it would satisfy both the Manpower requirements and also the other requirements, I guess, is the question. Isn't it?

Mrs. Pulsford: I think they would have to be looking at a reduction of the RN programme if they wanted to increase the RNA programme at Guelph.

Mr. Gaunt: It's a question of reducing one in order to increase the other. I suppose what you win on the oranges you lose on the bananas.

Mr. Chairman: Is item 4 carried?

Mr. Riddell: Just one point then. If Guelph then is oversubscribed, why couldn't they establish a course at Conestoga College in Clinton to accommodate some of these girls who wish to take the RNA course?

Mrs. Pulsford: Because there's not enough of the right kind of experience. I think what they are looking at is that perhaps there may be a one-time, part-time course which would fulfil all the needs for quite a number of years. This is one of the alternatives they're looking at at this point. There isn't enough to sustain a continuing programme there.

Mr. Riddell: There aren't enough who expressed an interest in taking the course?

Mrs. Pulsford: No, there aren't enough generalized clinical resources that all the students would have to receive.

Mr. Gaunt: Like hospitals.

Mr. Riddell: Oh, goodness gracious, with a hospital in Exeter and two hospitals in Goderich—

Mr. Deacon: Hanover, Durham, Chesley, Walkerton—

Mr. Riddell: —you can't be serious.

Mrs. Pulsford: Yes, but you're looking at where you have to have spaces for a sufficient number of students to make a viable programme. You're looking at a clinical instructor who has got to have, say, about 10 students to be able to make it within the cost factor of running a programme. If you've got to put two students in one place and two students in another, they're not getting sufficient clinical experience.

Mr. Riddell: I thought the reason they took the courses out of the hospitals in the first place and established them in the community colleges was that they could give them all they needed at the college, that they didn't rely on hospitals.

Mrs. Pulsford: They've got to have live patients at some point along the line.

Mr. Riddell: Then why did they take the course out of the hospitals in the first place?

Mrs. Pulsford: Because that's where the decision was made, that nursing would go into the general educational stream.

Mr. Chairman: Is item 4 carried? Carried. Item 5, the Ontario Council of Regents.

Mr. Deacon: Mr. Chairman, this is where I am wondering why we don't make more use of them to cut back on the administrative part of your programme up above. It seems to me that the two are overlapping to quite a degree.

Hon. Mr. Auld: Actually, the council has—is it one on staff?

Dr. Parr: The chairman and his secretary.

Hon. Mr. Auld: The council has two full-time staff, the chairman and the secretary, and all the sort of statistical and research work and what not that they require is done through the college affairs branch.

Mr. Deacon: Why do we have them separate at all then? They are really just separate in name only. I gather from members of the council that there is very little independence from the ministry.

Hon. Mr. Auld: They're totally independent from the ministry except that, instead of having their own staff they have the ministry's staff. As far as I know, I've never had any complaint from any member of the council that they wanted their own staff because they didn't feel they were getting adequate service from the division staff.

Mr. Deacon: It does seem strange to have this item of \$229,000 that you are controlling, in effect, and yet you're saying that they have control over it. I don't understand that. If it was a grant to a council outright, and if it had other resources it was contributing in order to provide for itself, it would have to have some degree of independence.

Hon. Mr. Auld: I suppose we would then be duplicating to some degree the expertise, the data, the information which we have in the college affairs division.

Mr. Deacon: This whole thing to me just appears to be a front. In effect, the real work is being done by your programme administration at the top and I don't know why you have this funding setup.

Hon. Mr. Auld: Not really, because I think it's fair to say that the council again is a sort of cross-section of different community interests and different kinds of expertise. They meet about 10 times a year and about half of those meetings are out of Toronto. They are at one of the colleges, so they do travel around the province. They are two-day meet-

ings. Then individual council members are also involved in meetings about collective bargaining.

Mr. Deacon: How many members are there in the Council of Regents?

Hon. Mr. Auld: The chairman, Mr. Sisco, who is a civil servant, and the members are: Dean Uffen, who is dean of engineering at Queen's; J. D. MacFarlane, chairman of journalism at Ryerson; G. R. Wooll, vice-president and managing director of Genaire Ltd. of St. Catharines; Mr. D. O. Davis, who is retired and was director of education at Sarina or Windsor.

Mr. Jackson: He is the director of engineering in Dofasco in Hamilton.

Hon. Mr. Auld: Sorry.

Mr. Laughren: Pretty close.

Hon. Mr. Auld: I'd like to be closer. Betsy Heately, recreation assistant in the borough of North York; Lorne Johnston, who was a member for a year and retired last year as assistant deputy minister of the colleges and manpower division; Mr. D. D. McGeachy, a business consultant in London; Mrs. Cecile Lavigne, a housewife from Cornwall; Mr. Harry Nokes, the area representative of the Canadian Labour Congress in Peterborough; Miss—

Dr. Parr: Joan MacDonald.

Hon. Mr. Auld: Joan MacDonald, director of the College of Nurses of Ontario, from Toronto; Mrs. Harriet Black, a housewife from Sault Ste. Marie; His Honour Judge Dupont, district court judge in Cochrane and Timmins and, up until he was appointed this year, a member of the board of Northern College, and Dr. Charles M. Johnston of Thunder Bay, who was appointed this year and previously was chairman of the board of Confederation College.

This estimate includes a new item of \$10,500, which represents the cost of printing collective agreements, interestingly enough, employee benefit booklets and compensation booklets. It includes honoraria paid to members, which was increased effective January of this year from \$85 to \$105 a day; and an additional amount for related consultant fees involved in the collective bargaining sessions, which have increased significantly. And also a transfer payment of, I think, \$20,000 to the college of nurses for continuous liaison between the inspection staff at the college and officials of the ministry, with reference to diploma nursing and nursing

assistant programmes. It was originally paid to the college by the Ministry of Health, and then was transferred to us.

Mr. Deacon: What's the feeling of the regents toward leaving the faculty of these colleges in the civil service?

Hon. Mr. Auld: I'm not aware of any—I haven't had any recommendation or report or comment from them.

Mr. Deacon: I find it the strangest thing to have members of the faculty of these colleges treated differently from members of a university staff or other teachers with regard to their ability to participate in a political system. I just can't understand it.

Mr. Chairman: I think it arose originally from the situation that many of these teachers were civil servants with branches of government, and who moved into this field.

Mr. Deacon: At that time it should have been changed, because they moved out of something into a field where they were being restricted by government.

Mr. Chairman: Do you wish to respond, Mr. Minister?

Hon. Mr. Auld: Perhaps we might ask Mr. Jackson to give us the history. My recollection is that the CSAO sort of campaigned in the colleges and the faculty. Originally the support staff—a number of whom were civil servants from the old days of the provincial institute of trades—wanted to continue. The support staff decided they also wanted to be members of CSAO, rather than some other organization.

Mr. Deacon: I would hope that wouldn't prevent them from being politically involved.

Hon. Mr. Auld: Could you give us the history of it?

Mr. Jackson: As far as the support staff is concerned, I don't think there was ever any question the CSAO was selected as the bargaining agent. But when the colleges were formed there were two different groups of faculty. There were those who were transferred from the old provincial technical institutes, who had a relationship with CSAO in the technical institute system. Then there was a group of new faculty who were hired by the colleges who did not spring from a technical institute. This group tried to organize an association and there is a competition between the two of them. When the provisions of the Crown Employees' Collective Bargaining Act became available, the CSAO was

selected by a vote as the bargaining agent for the faculty group as well.

Mr. Deacon: It's all very interesting, but would the minister not agree that there's little logic in having them categorized in the same way as civil servants with regard to participation in political activities? We don't agree anyway with the government's view on this matter. But particularly I would think the minister would agree that it shouldn't interfere; their faculty relationship should not interfere with their political involvement when they are part of these community colleges—no more than it should in the university or with our teachers.

Hon. Mr. Auld: As I say, as a member of the government which is looking at the question—

Mr. Deacon: And has been for the last many months.

Hon. Mr. Auld: On and off, yes.

Mr. Deacon: I guess everybody is.

Hon. Mr. Auld: I would say any remarks about it as far as the government is concerned should come from the hon. Mr. Winkler, who is the minister responsible.

Mr. Deacon: I hope the Council of Regents will express its views that they should not be restricted by this.

Mr. Chairman: This is actually a subject that Mr. Laughren dealt with extensively earlier.

Hon. Mr. Auld: I may say that I said the same thing to him.

Mr. Deacon: I hope the Council of Regents will express its opinion that these people should be allowed the same rights as others in their field. This could remove some aggravation that adds to problems in relationships with the Council of Regents.

Mr. Laughren: Mr. Chairman, we are not really getting the whole story here. The faculty association, the faculty members of the colleges, were not supposed to come under the jurisdiction of the Crown Employees' Collective Bargaining Act and when that Act was first introduced they were excluded. I think a separate bill came in to include the faculty members under the Crown Employees' Collective Bargaining Act. Do you recall that, Mr. Jackson?

Mr. Jackson: Yes, the Crown Employees' Collective Bargaining Act does mention the college faculty as an exclusion but in doing so it left the college faculty without any legal collective bargaining rights because the Labour Relations Board had previously ruled that it had no jurisdiction under the Labour Relations Act. Therefore, to restore collective bargaining rights to the faculty of the colleges an amendment to the Ministry of Colleges and Universities Act gave them collective bargaining rights, using the *modus operandi* of the Crown Employees' Collective Bargaining Act.

Mr. Laughren: The thing is that the Council of Regents, since we are on that vote, really is an adjunct of the Ministry of Colleges and Universities and that's been one of the problems with the operation of the colleges, in my opinion. It's obvious—they have two full-time employees; they use the ministry personnel to help them do their job; they meet 10 times a year, I think the minister indicated. There is no way the Council of Regents is providing the kind of direction for the colleges it should be. It's a buffer for the ministry.

Mr. Deacon: It's a captive organization.

Mr. Laughren: More than anything else it is a buffer for the ministry. The ministry can say it is a semi-autonomous body which operates independently of the ministry and the Council of Regents can say, "After all we don't have any full-time staff. We take our direction from Mr. Jackson," and so forth.

It's a bit of a game played between the ministry and the Council of Regents. That is why, as far as I am concerned, they should abolish the Council of Regents or give it the kind of status it should have.

Personally, I like the idea of an autonomous body directing the Colleges of Applied Arts and Technology. This is a silly game you are playing with the Council of Regents. What does it mean? I look at the Council of Regents itself and I wonder; how many members are there?

Dr. Parr: Twelve and a chairman.

Mr. Laughren: Thirteen. You have almost got—

Hon. Mr. Auld: Fourteen altogether; 13 and a chairman.

Dr. Parr: Thirteen, I am sorry.

Mr. Laughren: I think you have four women on it which is an improvement from a few years ago when you had only Mrs. Black,

I believe. For a while she was the only woman member of the Council of Regents. Now you have four?

Dr. Parr: Yes, there are four now.

Hon. Mr. Auld: There are one, two, three, four.

Mr. Laughren: Four; you have a way to go.

Hon. Mr. Auld: As I mentioned last year—or perhaps it was subsequent to the estimates—since I have been minister I have asked them to add to their responsibilities and duties, looking at the financial end, for instance, which is something they didn't do before, and a variety of things, I think the council is functioning well and I think we will probably give it more responsibilities.

Mr. Laughren: What are they doing?

Hon. Mr. Auld: As I mentioned yesterday there is liaison with the colleges, looking at courses, duplication, the needs of the system.

Mr. Laughren: Ten times a year they are doing that. I can imagine how much they are doing with a full-time chairman and a secretary.

Hon. Mr. Auld: By the way, I stand corrected. Mr. Sisco is not a civil servant; he is full time but he is appointed by the Lieutenant Governor in council.

Mr. Laughren: Is it a yearly contract?

Hon. Mr. Auld: I really don't know. Is it three years?

Mr. F. J. Kidd: (Executive Director, Common Services Division): There is no specific time limit on it.

Mr. Laughren: No specified time limit?

Hon. Mr. Auld: I guess it is during pleasure.

Mr. Laughren: Yes, I was going to say, when the government changes they don't want to be restricted to any long-term contracts.

Mr. Chairman: We will very likely end up hiring him, because he is one of the most capable men we have in the province.

Mr. Laughren: Are you sure you should have said that?

Mr. Chairman: Yes, I am absolutely sure of that, because I have known him for many years, back to the days when he was a prin-

cipal in the high school in my town. He is a very commendable citizen.

Mr. Laughren: I am not commenting on his qualities as a citizen. There is nobody I would rather have a cup of coffee with either.

Mr. Chairman: He is still capable.

Hon. Mr. Auld: But I really don't think you will be able to hire him, because by that time he will be far too old.

Mr. Laughren: Is he getting on?

Hon. Mr. Auld: No, he would be about 52 now. But you know at 90, he'd be highly competent, but he probably wouldn't want to put in a full day.

Mr. Laughren: I didn't realize he was at retirement age.

Mr. Chairman: He likely could still run you a good foot race and likely beat you.

Mr. Riddell: I don't think this would solve the problem anyway.

Hon. Mr. Auld: Well, Jack, would you say 80?

Mr. Gaunt: Well, at least it is coming down.

Hon. Mr. Auld: They both seem highly unlikely, but at least that's possible.

Mr. Laughren: Eventually we will have the free-enterprise parties against the socialist party. That's the way it should be.

Mr. Deacon: People don't seem to think it is very unlikely.

Hon. Mr. Auld: Well, some people do. I understand that almost half your caucus is fairly competent now.

Mr. Deacon: It is really interesting; we are talking about the people of the province.

Hon. Mr. Auld: I haven't seen any of them, but then—

Mr. Deacon: No, you haven't; you don't often see them.

Hon. Mr. Auld: Not of that type.

Mr. Laughren: Who is speaking for the Council of Regents here today?

Hon. Mr. Auld: I am.

Mr. Laughren: You are? Good. Do you know if the Council of Regents—

Hon. Mr. Auld: On their behalf.

Mr. Laughren: Good. Do you know if they have concerned themselves at all with this whole question of the political involvement of the faculty members?

Hon. Mr. Auld: I haven't noticed anything in their minutes about it.

Mr. Laughren: What do you feel about college presidents involving themselves in the political process?

Hon. Mr. Auld: I must admit that that has not come to my attention and I haven't thought about it.

Mr. Laughren: Well, it has now.

Hon. Mr. Auld: Well, I will certainly think about it.

Mr. Laughren: I am beginning to wonder, Mr. Minister, about all these things you are going to think about; whether or not your mind is going to be so incredibly cluttered for the next year that we will have another year of stagnation in the Ministry of Colleges and Universities.

Mr. Deacon: You are indicating that is a change?

Hon. Mr. Auld: Well, that is an interesting change in outlook, I must say, from a moment ago.

Mr. Laughren: Than what?

Hon. Mr. Auld: No, seriously, I am not aware of any problems.

Mr. Laughren: Oh, there is no problem. I encourage the college presidents to get involved in the political process, but I would ask you how you rationalize the fact that they can but the faculties can't?

Hon. Mr. Auld: I assume that is because they are not members of the CSAO.

Mr. Laughren: Do you think that is right?

Mr. Bounsall: Don't you think that is an anomaly?

Hon. Mr. Auld: Not necessarily, because I suppose they are in the same position, vis-à-vis the CSAO, as certain levels of civil servants who are not part of the bargaining unit.

Mr. Chairman: Shall item 5 carry?

Mr. Laughren: No, no. Talk about rationalization.

Mr. Chairman: We will resume at 2 o'clock.

It being 12:30 o'clock, p.m. the committee took recess.

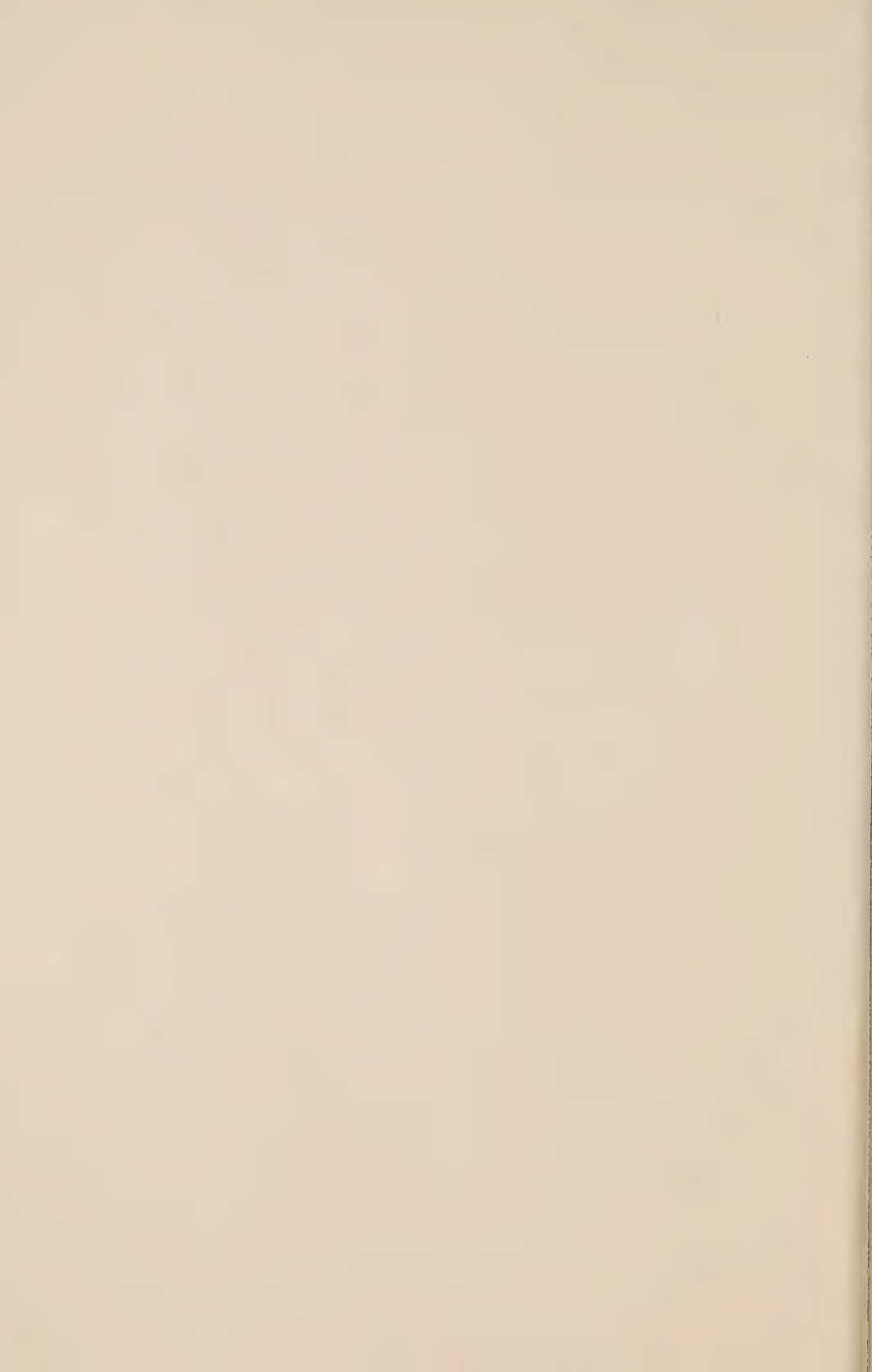
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ESTIMATES, MINISTRY OF COLLEGES AND UNIVERSITIES

Standing Social Development Committee *57*

Chairman: Mr. R. G. Hodgson

OFFICIAL REPORT — DAILY EDITION

Fifth Session of the Twenty-Ninth Legislature

Wednesday, May 28, 1975

Afternoon Session

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

THE QUEEN'S PRINTER
PARLIAMENT BUILDINGS, TORONTO
1975

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LEGISLATIVE ASSEMBLY OF ONTARIO

WEDNESDAY, MAY 28, 1975

The committee resumed at 2:21 o'clock, p.m.

ESTIMATES, MINISTRY OF COLLEGES AND UNIVERSITIES (concluded)

On vote 2503:

Mr. F. Laughren (Nickel Belt): Mr. Chairman, are we under way?

Mr. Chairman: Yes.

Mr. Laughren: I wonder about the Council of Regents. I don't know any of those people on there. I recognize the names but I don't know them as individuals. I am wondering which of those people can be called representatives of labour.

Hon. J. A. C. Auld (Minister of Colleges and Universities): Harry Nokes from Peterborough who, I said, was the area representative of the Canadian Labour Congress. I would say that's the only one who would be directly related.

Mr. Laughren: How many could be called representatives of business and industry?

Hon. Mr. Auld: There is Mr. Wooll, managing director of Genaire. Mr. McGeachy is a business consultant so I assume that he would be more closely associated with business than with other parts of the population. I would say there would be those two. Then in the academic community, there are three. There is one housewife.

Mr. Laughren: That's a worker.

Hon. Mr. Auld: Indeed it is. There is one retired civil servant. As a matter of fact, Nancy's arriving today for the weekly cleanup of my apartment. I am very conscious of that on Wednesday.

Mr. Laughren: Who is Nancy?

Hon. Mr. Auld: My wife.

Mr. Laughren: Oh. Checking.

Hon. Mr. Auld: Well, we are old-fashioned, you know.

Mr. J. Lane (Algoma-Manitoulin): Suspicious man.

Mr. Laughren: Not at all, I have never met his wife.

Hon. Mr. Auld: It is probably because I am a Conservative.

Mr. Laughren: I see.

Hon. Mr. Auld: There are also a judge, a medical doctor, and a recreation assistant. I would say it is a pretty good variety.

Mr. Laughren: What was that?

Dr. J. G. Parr (Deputy Minister): I have just been saying that Betsy Heately is a recent college graduate, I understand.

Mr. Laughren: Yes, as a matter of fact, a former student at a high school I taught at. I would say any time labour representatives are only outnumbered two to one by appointments of this government has got to be considered a victory.

Hon. Mr. Auld: Well, thank you.

Mr. Chairman: Do you know Harry Nokes personally?

Mr. Laughren: No.

Mr. Chairman: I don't think he would be outnumbered, no matter what the number was.

Mr. Laughren: I see. Maybe the representatives of business and industry might not agree with you. I just think that if you consider the sociological mix of student bodies at the community colleges you should give serious consideration to much more representation from labour on the Council of Regents. I think it is generally accepted that by and large, the students at community colleges come more from what we might call working people, blue collar parents and so forth, than at the university level. That's what you should be considering.

The same, of course, applies to the boards of governors. But that's been so painfully obvious throughout the whole province, and that's been hashed through many times. I suppose we're going to have to wait until there's a change of government to make any significant changes there.

The classic, of course, is the University of Toronto—the government appointments to the governing council of the University of Toronto. That's where you really get your Tory blue-bloods being appointed—whose attendance is dismal, I might add. But that's on another vote and I won't pursue it here. Thank you, Mr. Chairman.

Mr. Chairman: Any other comments?

Mr. E. J. Bounsall (Windsor West): Thank you, Mr. Chairman. I understand that recently the Council of Regents, probably Mr. Sisco himself, has sent a letter to the various community colleges indicating to them that the heads of their particular divisions should be specialists from that division. Can you verify that?

Hon. Mr. Auld: I'm not aware of that, but then I would not necessarily be, unless it was a directive. I don't know of any motion of the council that would lead to that.

Mr. Bounsall: It sounds like a very reasonable letter to go out. It might be just a normal reminder to the community colleges of what should be general guidelines for conducting themselves. It seems rather strange to think that a division might be headed by someone who has no expertise in that division. It may have flowed from discussions that have taken place with regard to the contract.

There's an interesting situation that seems to be the reverse of this, arising at St. Clair College in Windsor. The director of nursing there is going on, I believe, a two-year—it might only be a one-year—but a leave of absence to upgrade her qualifications. It appears that a person not at all related to nursing is going to be appointed in her place for that period.

No matter what you call that person—you can put the name of manager on that person if you like and try to hide it under a different name—but in essence she's replacing the chairman of the nursing division while she is on her one- or two-year course of upgrading herself. The Registered Nurses' Association of Ontario are pretty up tight about it. If I can just take a minute or two, I'll read that into the record:

It has come to the attention of the Essex chapter executive of the Registered Nurses' Association of Ontario that an individual who has no practical nursing or related experience will be appointed as acting chairman of the nursing division of St. Clair College of Applied Arts and Technology. As members of one of the designated primary professions, we feel strongly that an

institution educating nurses must have leadership with credibility within the nursing profession. It is only then that the student graduate will gain maximum recognition professionally.

We feel that once the hospitals in Ontario and, indeed, Canada are aware of the fact that the St. Clair College nursing programme will be headed by an individual with no prior training whatsoever in nursing, the student graduate will most certainly suffer in the hiring process.

As an association which has the responsibility of setting nursing standards in Ontario, we strongly protest the proposed appointment at St. Clair College of Applied Arts and Technology in Windsor.

Signed by Judy Musgrove, secretary of the RNAO Essex county chapter.

What's going on when something like this can happen? If, in fact, Mr. Sisco on behalf of the regents, or someone in the regents, hasn't sent that instruction out, surely that's the type of instruction which should be sent out. You have the ludicrous situation there of someone going to be appointed as head of the nursing division, I believe the gentleman has come from a social service background and has been in that post within the college. However, he is now taking over as acting chairman of the nursing division. I would think the other points in the letter are very strong ones.

It calls into question the credibility of the programme if someone has had no prior training in it. The thought is, once this is known there may be some doubt as to the quality of the graduate when for one or two years you have someone directing the programme who has no training or contact whatsoever with the nursing profession in the past.

Hon. Mr. Auld: Is that your question?

Mr. Bounsall: Yes.

Hon. Mr. Auld: First of all I'd say that staff appointments are an internal matter of the institution itself. I don't think you would want to see us going to the other extreme of the ministry appointing all the staff of the colleges. I don't say you're suggesting that.

Mr. Bounsall: No, I'm not.

Hon. Mr. Auld: I believe the matter of selection of staff is primarily a college responsibility. I'm not aware that this appointment has taken place but I'll look into it. It may well be, though, that there were good, acceptable reasons for doing this on what is apparently a temporary basis. I really can't say and I can't

comment because I don't know anything about it. I don't know and my staff tells me that nobody is aware of a letter from the chairman of the Council of Regents to the colleges along the lines you suggest; that is not to say he hasn't written one. He doesn't tell me—just to pursue what we were discussing before lunch, the council is not a group of puppets of the minister or the ministry. We don't necessarily know exactly what they're doing every day.

Mr. Bounsall: I'd be interested in your attitude, as Minister of Colleges and Universities, toward the general rule—

Hon. Mr. Auld: I would be glad to give you my attitude when I hear the rest of the story.

Mr. Bounsall: —of someone being appointed to that kind of position who is completely outside the field.

Hon. Mr. Auld: I would not say—and I'm not applying what I'm about to say to this particular instance—that the people in charge of any kind of programme necessarily have to have expertise in that programme. There are some arguments at times about having somebody who is primarily in an administrative job rather than the technical end of it not being an expert in it.

All I can say, as far as this particular instance is concerned which you have brought to my attention, is I'll look into it. I really don't know how big a programme it is; how many staff there are; how many qualified technical people in instructional and other administrative levels in the course are involved. I really don't know and I would like to find out those things before I made any comment.

Mr. Bounsall: It seems kind of strange that the chairman of the nursing division is a nurse who was an administrator of nursing at one of the hospitals in Windsor—Hotel Dieu, to be exact—for some years before moving over to that programme and when she goes to upgrade her nursing qualifications even further, you have a person with no nursing background whatsoever coming in to direct in her absence.

I agree with you that in some cases an administrator per se—perhaps on the administrative side only—is very helpful and doesn't need prior expertise in detail in the area. But someone is coming in to replace that chairman and take on those functions which include other than just administrative. If this was an administrative assistant coming in, with no knowledge in nursing, to assist a chairman or an acting chairman who was a nurse with knowledge in that field, that would be another matter. That person would be handling the administrative side.

But here you're going to have questions of course content and the whole area of academic training of the nurses involved before a person in charge who does not even have theoretical background let alone any grasp of the practical in a hospital situation. To me that seems extremely strange. I don't think you would appoint a dean of engineering or a head of an electrical engineering department who wasn't an engineer, even on a one- or two-year basis; nor would you do it in the field of medicine or any other specialty that I would know of, and legitimately be able to call that a good training department at that point, a good educational department.

So I would hope, if that turns out to be the case, that not only would something be done about that appointment but the Council of Regents be urged to take some specific stand in that area, if they haven't.

Hon. Mr. Auld: It may be—of course, again its dangerous to speculate—that the council were aware of this and this is the reason that in fact Mr. Sisco wrote the letter along the lines that you suggest he may have. But I don't know, although I doubt it.

Mr. Bounsall: Okay, I won't pursue it further, except to say I'll be interested in your following it up and what you find out about the situation.

Hon. Mr. Auld: I will let you know.

Mr. Chairman: Item 5 carried? Carried.

Hon. Mr. Auld: Oh, sorry, there is one thing, just before we finish the vote, in connection with the figures about Algonquin this morning. Mr. Adams had some information about it and also I must apologize because the figure that I originally got was for Humber College rather than Algonquin.

Mr. Laughren: I can't hear you.

Hon. Mr. Auld: Mr. Adams would like to give you the related figures that we didn't have this morning about Algonquin.

Mr. T. P. Adams (Assistant Deputy Minister, College Affairs and Manpower Training Division): Mr. Chairman, we reviewed our figures and first off might I say that a slight variation between the figures which I'm going to present here and the operating budget which Algonquin College has just brought down is due to the fact that these are all subject to final enrolment audit. It won't make a significant difference but it usually makes a very minor variation in the figures when the final audit figures are in.

Looking at the post-secondary grants first, which includes the enrolment formula, nursing programmes, rental of facilities, and special bilingual grant, in 1974-1975 Algonquin received \$18.2 million. In 1975-1976 they are receiving \$20.8 million, which is an increase of 14.7 per cent. In adult training—and this includes the federal purchases and apprenticeship and training in business and industry—in 1974-1975, Algonquin received \$4.6 million; in 1975-1976 they will be receiving \$4.8 million, an increase of 3.6 per cent. The total provincial support in 1974-1975 was \$22.8 million; in 1975-1976 it will be \$25.6 million, which is an overall total provincial support increase of 12.4 per cent.

Then we have the tuition fees, which in 1974-1975 were \$2.6 million and in 1975-1976 are estimated—drawing from the MYP figures submitted by Algonquin College—to be \$3 million, for an increase of 14.6 per cent. So the overall total revenue of Algonquin College was, 1974-1975, \$25.4 million; in 1975-1976 it is \$28.6 million, with an overall increase of 12.7 per cent. The figure presented by the minister this morning, an overall increase of 18 per cent, was due to the miscalculation on my part.

Mr. Laughren: I will see that my colleague, Mr. Cassidy, gets this.

Vote 2503 agreed to.

On vote 2504:

Mr. Chairman: Vote 2504, item 1, programme administration. Mr. Laughren.

Mr. Laughren: Is it under programme administration that we could talk about the ministry's representative on the federal-provincial task force? Would that be appropriate?

Hon. Mr. Auld: Yes, I think so, because that's where the salary would come from isn't it, Frank?

Mr. Laughren: Is that Mr. Bonner? Is he here?

Hon. Mr. Auld: Yes. Let me introduce these staff members—Mr. Frank Kidd, John Bonner, Carolyn Barrett.

Mr. Laughren: Is this the same Mr. Bonner that I keep reading about in restricted documents?

Hon. Mr. Auld: Yes, without his mask today.

Mr. Laughren: I had visions of him wearing a cape.

Mr. Chairman: I thought it was Clark Kent that you were reading about.

Mr. Laughren: I wondered how things are going on the federal-provincial task force, and why those discussions end up in printed form with "Restricted" at the top of the page. Why do you bother doing that?

Hon. Mr. Auld: We want to make sure they get good circulation.

Mr. J. Bonner (Student Assistance Planning, Policy and Planning Co-ordination Office): The only restricted document I know of is the one that was written by the Department of the Secretary of State and it had "Restricted" written on it.

Mr. Laughren: I wonder why. You know there was nothing in there that—

Hon. Mr. Auld: You will have to ask the Secretary of State.

Mr. Laughren: Mr. Bonner is a member of the task force. There must have been a discussion at the meeting to have it restricted.

Mr. Bonner: No, the question was that the officials from the Department of the Secretary of State and from the Department of Finance were able to participate personally in discussions, but that they could not express viewpoints that were to be taken as official federal viewpoints, so they agreed to do one of a number of working documents for the group, and they chose to put the word "Restricted" on it.

Mr. Laughren: I noticed that you expressed a strong position in favour of a contingency repayment scheme. I appreciate the fact that you do not set the policy of the ministry, but I was really taken aback by how strongly you had expressed this. It says:

Ontario, in a discussion paper for this group, has made the clearest statements in support of income contingency. They say that annual repayments ought to be concluded in two ways, when total debt, including interest, is fully paid; or, two, after the payment of 50 annual instalments based on the concept of 15 working years.

Yet the ministry never makes any noises at all about the contingency repayment scheme and what a terrible scheme that would be for student financing.

Hon. Mr. Auld: Wouldn't you think that would be an improvement over the present federal programme?

Mr. Laughren: No, I don't think an income contingency scheme is any good no matter how you discuss it.

Hon. Mr. Auld: Yes, but the federal one presently is all of that.

Mr. Laughren: Oh, I see what you mean. No, I meant the—

Hon. Mr. Auld: Would you think that that might be an improvement over the present programme?

Mr. Laughren:—implication of Ontario moving to a contingency repayment scheme is what bothers me, and as a matter of fact, I will get to it a little later. I suspect that you are bringing that in the back door already, and as a matter of fact there is evidence that you are doing that.

Mr. Bonner: It is also on record in the minutes of that same group that Ontario is strongly critical of certain aspects of contingency repayment schemes. We have made clear statements about the scheme, largely because we were asked to do a basic working paper on the scheme, nothing more.

Mr. Laughren: Who is the director of student aid now—the Ontario Student Affairs Programme?

Mr. F. J. Kidd (Executive Director, Common Services Division): The position is presently vacant, but it is being interviewed for tomorrow and Friday.

Mr. Laughren: Oh, I see.

Dr. Parr: You can still apply.

Mr. Laughren: No, no, I would not be—

Hon. Mr. Auld: Don't come too early.

Mr. Laughren: I would not be acceptable to the ministry, I can assure you of that—and I am happy to say that I wouldn't be acceptable. I do hope you appoint someone who has a very enlightened attitude towards student aid, Mr. Minister.

I would like to question you on some things about student aid that bother me. I won't go into detail on what my party's position is on student aid. I have already expressed that in my opening remarks; we would beef it up considerably.

Mr. Chairman: I wonder if this would be under item 2?

Mr. Laughren: Yes, it would.

Mr. Chairman: Are there any questions you would like to have, Mr. Deacon, on item 1, vote 2504?

Mr. D. M. Deacon (York Centre): Basically, I could get back to my original remarks, Mr. Chairman, on—

Mr. Chairman: We should take that first, that's all.

Mr. Deacon:—on the whole approach of programme administration—whether we should really not do away with this area of it and allocate block funds to the universities themselves and the student organizations in the universities to administer. They have a knowledge of what students need, I would think an evaluation and an accountability of that body to the students would soon eliminate some of the elements in the council that you are so concerned about.

I think students themselves have common sense about these things where they felt there was some abuse in the administration. I feel there has been so much abuse in the past with a lot of students getting help by being expert barrackroom lawyers, as we used to call it in the forces, and knowing how to get around the technical side of things. I have seen so many people miss getting help because technically they did not come within the area that is eligible.

I felt that we should set out a block of funds to each structure, again allocated after a review of all the university student bodies as to the allocation, get away from this formula system, get over to a system whereby common sense and knowledge of the background circumstances prevail, so that those that are most deserving are assured that they are going to be given a good hearing by people who understand their circumstances.

Hon. Mr. Auld: The first problem with such a change would be that all the other provinces would have to agree to it, because in the Ontario Student Awards Programme \$46.5 million is provincial and about \$70 million is federal in the federal loan programme. The federal government has said that it is prepared to look at changes in student aid but any changes have to be unanimously agreed to by all the provinces.

Mr. Deacon: I thought their involvement was just in the loan.

Hon. Mr. Auld: No, they have a loan programme and the provinces administer it. That is part of the administration of the whole programme. If, which is the second point, we

were to do that—and I think we can probably do this, though I'm not suggesting that we will because I think there are some other problems—and say that we will take the provincial bursary part, the non-repayable part, and even the additional funds that are voted this year in the next item of this vote for the new provincial loan plan and the additional provincial bursary plan, my understanding is that we would still be required to administer the federal loan programme.

Mr. Deacon: Do you know what ministry that comes from in the federal government?

Mr. Kidd: Guaranteed loans administration section of the Department of Finance.

Mr. Deacon: And they are the only ministry involved in this?

Mr. Kidd: In the money.

Mr. Deacon: I am wondering if they are the ones that decide the policy.

Hon. Mr. Auld: No, the Secretary of State's department is the one that is actually in charge of the policy, but mechanically the money comes from the Department of Finance.

Mr. Deacon: I hope we will get somewhere with Hugh Faulkner on some basic argument and there is some hope of maybe changing the way we handle it here.

Hon. Mr. Auld: As I say, my understanding of the federal end is that they are prepared to listen. That's the reason the present committee is sitting—the committee that I appointed. The provincial-federal committee is to prepare for the next round of discussion between the feds and the provinces about the whole programme in June, 1976 or 1977.

Mr. Kidd: In 1977.

Hon. Mr. Auld: The present agreement expires then?

Mr. Kidd: Yes, March 31, 1977.

Hon. Mr. Auld: Do you want to give just a short rundown of the mechanics of it? I am correct, I believe, in saying that the feds will not accept changes bilaterally, that they have to be throughout the country with the exception perhaps of Quebec.

Mr. Kidd: Quebec opted out.

Hon. Mr. Auld: Oh yes, Quebec opted out. Am I correct in that?

Mr. Kidd: You are correct in that the provinces can be more stringent than the federal scheme but they can't be less stringent.

Mr. Deacon: It will be interesting to see if the federal government will give some leadership in changing from a programme operated according to regulations and rules to one where we can apply some discretion and common sense; then it would be very worthwhile. It's the same problem we have with welfare assistance. People who learn how to qualify for assistance so often are not deserving, while we find many instances of people who really are deserving and common sense is not applied; they have got to fit the darn regulations. I agree that in many cases this is due to federal assistance programmes. I was just interested to hear your own approach, though, if we were able to get some change in attitude from Mr. Faulkner's department.

Hon. Mr. Auld: I must say that anything that would simplify the arrangement and lead to more flexibility on the part of locally responsible and careful people would be an improvement.

Mr. Deacon: Certainly you only have so much money available. Of the funds allocated by you for this; you should assign division of them to a body directly involved, but be certain there is accountability to the people.

Hon. Mr. Auld: The problem, of course, is that in a practical way you have to have the same application every place.

Mr. Deacon: No, you don't.

Hon. Mr. Auld: One of the complaints that I hear from parents today, of course, is that somebody or other qualified and their sprout didn't, that the family income is higher and so on.

Mr. Deacon: I realize that, but at the same time we don't have to take that responsibility upon ourselves. The main thing is that those people who are at the institutions and the students enrolled in them are accountable and after consulting with them, we've made a fair allocation between the various institutions of the aid that we can make available to them. I don't think we have to worry about every area having exactly the same rules and regulations at all. I don't think there is any need for that.

Hon. Mr. Auld: We have to have the same approach—

Mr. Deacon: Because when they have discretion and the allocation works to encourage students to go to universities away from this area, there can then be much more generous assistance available in Thunder Bay or in Sudbury.

Dr. Parr: If I may say so, Mr. Chairman, there are some problems with that, because if a particular school which had a particularly attractive student award scheme, for instance, had less places available and, as a result of that some people who had been banking on that better scheme couldn't get to it, then such students might be disadvantaged.

Mr. Deacon: Yes, but there may not be the accommodation. I just don't know I haven't had enough time to think that argument through. At the same time, I can imagine that if a lot of people apply to a more remote university and they are admitted, and if there is a proper allocation of funds as among the various universities, then I think we would be all right.

Dr. Parr: I noticed you actually made a number of points, and I wondered if I might reply to them on a technical basis.

With respect to the working group between the provinces and the federal government, I think I ought to point out that for some time Ontario had been trying to persuade the federal government that we could discuss the overall problems of the scheme. They insisted that all the provinces would have to get together before they do that. This wasn't an easy task because some of the provinces are quite content with the scheme and weren't particularly anxious to open it up. We were very glad when finally the council of ministers agreed that the working group would be set up. So at least that step forward was made.

With respect to local activities, although of course the current policy is that there be that kind of uniformity and a central administration, Frank Kidd points out to me that there are in the colleges and universities some 250 personnel who are associated with student awards who, within the uniformity of the scheme, do their best to make sure that the individual students applying get the best they can out of the scheme and that the scheme isn't abused.

Mr. Deacon: I have never doubted the sincerity and the dedication of the people doing that. I have found them very helpful in trying to explain why something has been necessary. I have never had that problem with them at all. I felt it's an impossible assignment for people to try to cope, through these regulations, with common-sense situations. I know we get a lot of reports of people who have been able to use their student awards for other than their education; they've found some way around it. It really is aggravating when I've come across two or three situations

like that and then I find two or three I can't get help for because they don't qualify.

Dr. Parr: That was the last point I was coming to. We do have about 10 people on our verification staff and I think it is substantially refunded by the federal government.

Mr. Kidd: Not for verification but the whole staff. We receive \$3.75 from the federal government to process each certificate of eligibility so there is quite a substantial reimbursement for the administration of this programme coming from Ottawa which does not, of course, reflect in our estimates but reflects in the Treasurer's estimates.

Hon. Mr. Auld: That would be what—\$90,000?

Mr. Kidd: It's well over \$250,000.

Mr. Deacon: I'm interested to get your philosophy and I want to let you know what I feel I would like to see us moving toward. I think it would make for a lot more satisfaction and progress in the whole area.

Mr. Chairman: I suppose that could equally well apply to Ontario students but what about the others? There are some difficulties because the federal authorities have control of the landed immigrants—

Hon. Mr. Auld: Yes, of course, landed immigrants—

Mr. Chairman: —the professional staff of the various embassies and so on.

Hon. Mr. Auld: Students with student visas are not eligible but landed immigrants are eligible in the same way as Canadian citizens.

Mr. Kidd: No, sir. Landed immigrants who have worked in the work force for a period of 12 months prior to first registering in the course are eligible for assistance.

Mr. Deacon: Which makes a lot of sense. I'm glad to hear you have that sort of restriction.

Hon. Mr. Auld: Yes, sorry. The other thing is, this first item covers the student awards branch staff and the interim advisory committee on financial assistance to students which was mentioned. The next item is the one which really covers the actual assistance itself.

Mr. Deacon: Yes, I was wondering if you could give me a breakdown of that \$469,000 for services.

Mr. Kidd: The vast majority of that is costs of operating the central computer where all

the applications are assessed. I've got the figures over here.

Mr. Deacon: You said you had. How many—135 on staff?

Hon. Mr. Auld: There are 72 in the student awards branch.

Mr. Kidd: Yes, 72. The major items in that services item are \$250,000 for data processing; \$56,000 for forms; and \$125,000 for temporary help services. As you are aware, the main activity in this programme is caused when the students are first enrolling in the fall. There's a peak and valley situation and in order to cope with that peak and valley—

Mr. Deacon: How much for the temporary help, please?

Mr. Kidd: It's \$125,000.

Mr. Deacon: The rest of it's your space, is it? The services—are they expenses of space or accommodation? What's the balance of that \$469,000?

Mr. Kidd: Duplicating, photocopying and small items—I'll read them off here.

Mr. Deacon: That's fine, okay. Thank you.

Mr. Chairman: Anything more on item 1?

Mr. Laughren: Just one thing—perhaps you could back up a little bit and think about it more broadly than just the student affairs programme. To what extent does the ministry employ short-term contract people?

Hon. Mr. Auld: I suppose the biggest single number would be in this area. How many we have at the moment, would you say, other than—there are two people on my staff who are on contract.

Dr. Parr: We have a dozen or so on longish-term contracts and really they count in the establishment as somebody on complement would. We hire people on short-term contracts on a project basis; for instance, Lesley Lewis who looked into the matter of women in the colleges for us and was hired on such a basis.

Mr. Laughren: What did she do? Did she do a report?

Dr. Parr: On the community colleges, yes. She is just completing that now.

Mr. Laughren: For the Council on the Status of Women?

Mr. Kidd: No, the report was the status of women in the community colleges, which was done for us.

Mr. Laughren: Oh, is that available then?

Hon. Mr. Auld: I haven't seen it yet.

Dr. Parr: It hasn't been totally prepared.

Mr. Laughren: Oh, I see.

Hon. Mr. Auld: She is either completing writing it or it's being printed, or something.

Mr. Laughren: Will you be tabling that?

Hon. Mr. Auld: I really hadn't thought about it, but it seems likely.

Mr. Laughren: Yes.

Hon. Mr. Auld: I think we'd probably send it to the council first.

Mr. Laughren: Yes.

Dr. Parr: But anyway, it's mainly for specific projects which have an end point in sight that we hire short-term contract people—and then, in a similar category, the temporary help that Frank Kidd has just spoken of in positions of this kind for work loads that are cyclical.

Mr. Chairman: Does item 1 carry? Carried.

Item 2. Student support. Mr. Laughren.

Mr. Laughren: Yes, one of the things that bothered me about student support, for example, was the whole question of a students' contribution from summer earnings. You have raised that by \$5 per week, I believe. Regardless of the university year of the student, the anticipated contribution from students has risen by \$5. I really think it was a bad time to have done that. I realize there is an appeal procedure available to the student who could not work and therefore couldn't make that contribution. But you and I both know that the appeal procedure can be lengthy and there could be considerable delays in time, and that imposes a hardship on the students.

I am wondering why you did that. The minister's argument for doing so—and it really boggled my mind—was because the minimum wage had gone up. What the hell good is an increase in the minimum wage to a student who doesn't work? Even if the minimum wage is \$5 an hour, if a student doesn't get a job in the summertime, it really has no relevance.

Hon. Mr. Auld: We had increased the anticipated earnings very modestly. I think it's an average for the season of about \$80.

Mr. Laughren: It's exactly \$5 a week, I think.

Hon. Mr. Auld: You will find a slight variation if you look throughout the chart.

Mr. Laughren: I don't think so. I don't think there is any variation.

Dr. Parr: It's about right, \$5.

Mr. Laughren: Yes.

Hon. Mr. Auld: And we have also increased the living allowance, as you know, and the other factors that go into it.

It would seem reasonable to make a modest increase in anticipated earnings, assuming that the student is working, since they will be higher. This is in fairness, looking at the whole scheme.

Mr. Laughren: I think you picked a bad time this summer to implement that anticipated increase.

Hon. Mr. Auld: As I said in answer to your question the other day in the House, we are looking at this, because, of course, the time this was put together was last fall. Certainly, employment opportunities for students have changed in terms of the preliminary reports that I have had—not in every part of the province, but in some quite significantly.

There have been additional employment opportunities for students generated by the province. As I recall, the federal government announced a month or so ago some additional money for some of their summer employment programmes. But it would seem likely at this point in time that there will be students who have tried hard to get employment and have not been able to get it. There is an appeal procedure at the moment, and we are taking a look at that. As you know, the appeal procedure really means that an additional loan is granted.

Mr. Laughren: That's correct. That has changed, too, by the way. The appeal procedure on summer earnings was not just applied to the loan—was it? It used to be applied to the grant as well.

Mr. Bonner: In some cases, yes.

Mr. Laughren: Yes. Now you have changed it and made it worse that way as well.

Hon. Mr. Auld: We are taking a look, as I think the Premier (Mr. Davis) indicated the other day, at adjusting the appeal system. The other thing about an appeal, of course, was that you could only appeal if you had qualified for some assistance in the first instance. There could be cases, I think, if a student had no summer employment; on the assumption that he had summer employment he would not have qualified for a loan or a grant so he or

she might now qualify, so we are taking a look at that too.

I can't tell you at this moment in time just what will come out of this, because it will obviously cost some money and we will have to go to Management Board. It could well be that we should perhaps be looking at this kind of a procedure but only for extreme cases and should, if it is possible, be increasing provincially funded summer employment opportunities.

Mr. Laughren: Have you heard those incredible ads that plead with students to "get a job, get a job, get a job?" Have you heard those ads on the radio? Oh, you must have heard those ads; everybody has heard those ads. How could you miss those ads on the radio?

Mr. E. W. Martel (Sudbury East): Spending half a million.

Mr. Laughren: That does a lot for employment opportunities. I believe, too, on the living allowance of \$40 a week, there is no appeal on that except for students living in residence. Is this correct? Is it not correct? Is it not true that this past year, when the level was \$32, students who lived in residence at the University of Toronto were allowed to appeal their living allowance stipend?

Mr. Bonner: There has been some confusion on that. The policy manual that describes the various bases for appeals and so on is really an administrative guidelines handbook. The description there of the field process, or board and lodging costs, was described as it was because it is an automatic one, but any other individual had the same right to appeal. It was just a little more complicated. They would have to describe their circumstances in more detail. Students on campus in residences could be handled in large groups, in large numbers.

Mr. Laughren: Is it not the case that if students at the University of Toronto—and I believe the resident rates in Toronto were around \$40 a week this past year, while the rate under OSAP was \$32—were paying \$40 and they appealed the \$32 they were given extra assistance if they lived in residence. Is that correct?

Mr. Bonner: Yes.

Mr. Laughren: Is it not also correct that if a student lived in a private home and was paying \$40 a week the appeals were never successful?

Mr. Bonner: I would not say never.

Mr. Laughren: Well, they were automatic if you lived in residence and they were not automatic if you didn't live in residence, that is what I am saying.

Mr. Bonner: Yes.

Mr. Laughren: How do you rationalize that?

Mr. Bonner: That has changed this year, because it has been rationalized this year.

Mr. Laughren: It wasn't rationalized last year.

Mr. Bonner: I think the basic problem always was that in every case of an appeal, in the first instance the student would be asked to explain the change in circumstances; the financial circumstances that he was facing.

Secondly, there is some degree of documentation in every appeal. It is very, very simple to handle students who are living on campus; we know the costs. The costs that students are paying off campus we never did know as clearly, and so each individual has had to go through a little more.

Mr. Laughren: How are you changing it this year? If someone is paying \$45 a week at the University of Toronto—because the rates will probably go up—and they pay \$45 a week in the private sector, how are you going to handle it differently to make it more fair?

Miss C. Barrett (Special Projects and Liaison Officer, Student Awards Branch): This year there is a change in the programme so that all students, including those who are not in residence, have the possibility of appealing for additional loans up to the level of the maximum residence cost in that region. So we would look at the highest residence cost in the Toronto area and any student living in outside lodgings could appeal for an additional loan, provided he can document that he is actually paying that. Both students in residence and outside lodgings will have that possibility this year. That is a change. You were correct in your assumptions with last year.

Mr. Laughren: Okay. Thank you. The Canada Student Loan Plan, last year or this year, made an inflation adjustment, didn't it?

Hon. Mr. Auld: We have made it every year for the last years, I think. This year it was slightly less than last year. John, you have the percentages. This year they made a higher one than we did.

Mr. Bonner: Yes, they have decided to index their allowances on a basis that we are still trying to find the basis of. We just don't understand their—

Mr. Laughren: How much? I am talking about 1975-1976.

Mr. Bonner: The one for the coming year is a 16.9 per cent increase automatically to all allowances.

Mr. Laughren: And what about Ontario?

Mr. Bonner: Ontario? We have put up selective allowances. We are running the programme on the 1974-1975 allowances, except for board or lodging and a number of other smaller items.

Mr. Laughren: I want to ask you this, if there is no set policy, how the hell do you justify that?

Hon. Mr. Auld: My recollection is that the federal indexing has given them an increase on each item of 16.9, so it is an average of 16.9.

Mr. Laughren: Right.

Hon. Mr. Auld: Our increase has varied, and I think our average is around 10 or 11 per cent, but on some it's higher than that—such as board and lodging—on others, it's less. So it averages out about 11 per cent.

Mr. Bonner: The thing is, we combine the increases and at the same time we maintained the 1974-1975 income in the assessments of individuals. We combine the two.

Mr. Laughren: Yes, but then you raise the summer contributions and then take it away from them.

Mr. Bonner: No, it doesn't work that way.

Mr. Laughren: Sure, if you raise someone's expected contributions you are, in effect, taking away something that you have given them by these increases.

Dr. Parr: To get back to the student's earnings, he will be earning more. The point is that the inflationary cost in our scheme has been offset to some extent by using last year's income, rather than the inflated income, in working out the allowances.

Mr. Laughren: Oh, I see. You mean the parental income?

Dr. Parr: Yes.

Mr. Laughren: Oh, I see. I still doubt that the province's adjustments have been as high as the federal government's adjustments, that's all; almost 17 per cent.

Hon. Mr. Auld: With that view you are right and that's why we have given the student the option.

Mr. Laughren: I want to talk about that option.

Hon. Mr. Auld: I was sure you were and I thought I might just as well remind you.

Mr. Laughren: You are a bunch of dirty rotters.

Hon. Mr. Auld: If the student wants to go the whole loan route, up to a maximum of \$1,800, which is what all the other provinces except Quebec have adopted, instead of our maximum of \$800, then the student can acquire more dollars but will have to repay them all.

Mr. Laughren: That's right. That's what I call a contingency repayment scheme by the back door.

Hon. Mr. Auld: I would prefer, as I have said before, to say you can take your choice and use your own judgement than say, "I am sorry. We are big daddy and we won't let you take advantage of the more generous federal loan scheme."

Mr. Laughren: No.

Hon. Mr. Auld: I know you don't agree, but that's my own feeling.

Mr. Laughren: It doesn't do you any good to have your opinion if your own opinion is wrong.

Hon. Mr. Auld: Actually I was going to say that, but then I thought I would be more polite.

Mr. Lane: Free speech.

Mr. Laughren: Oh, I wouldn't raise that topic if I were you; not if I were you. Were the samples that are used in Canada Student Loan option that came with the OSAP booklet, the orange booklet, prepared by Colleges and Universities?

Dr. Parr: Yes.

Mr. Laughren: And I assume you would not use examples that showed Colleges and Universities in the most unfavourable light possible, would you? I think you'd be silly to do that, wouldn't you? Would you not agree?

Mr. Kidd: We give typical examples of typical students.

Mr. Laughren: Despite the fact that you give typical examples, all show that students will tend to opt for the Canada student loans

in many instances. Certainly they will. I'll go through them example by example.

Hon. Mr. Auld: They have to repay it.

Dr. Parr: On OSAP they only have to repay \$800.

Mr. Laughren: Right, but if they are desperately short of money they may not have any choice, in the immediate sense, between getting more money and having to pay it back and getting less money and not having to pay it back.

Dr. Parr: If they're desperately short, for example, as a result of their board and lodging being greater than the allowance, they make their appeal. It is reviewed and on that basis they are given an additional amount on loan to cover that.

Hon. Mr. Auld: They would still get their grant, whatever grant they qualify for.

Mr. Laughren: But there are cases—for example, example B in this insert. The Ontario government, OSAP, would provide nothing to the student but the Canada Student Loan programme would provide \$300. There you have a case in which the Ontario government would not provide any assistance, and the federal government would, through the Canada Student Loan Plan.

If you look at example C, the student can have \$300 by loan from OSAP—not a grant, a loan—and can get \$710 from the federal government. I know the federal government pays the loan portion of the Ontario programme anyway, right? What you're effectively doing is increasing the proportion of loans to grants for students who attend post-secondary institutions in Ontario.

I went back over some figures and in 1970-1971—I'm sure you're going to correct me if I'm wrong here—loans versus grants was about 50-50, applied for and received; roughly. In 1972-1973, it was about two-thirds loans and one-third grants.

Hon. Mr. Auld: It was between 1971 and 1972 that we put the ceiling on loans up from \$600 to \$800.

Mr. Laughren: In 1973-1974 it went to 60 per cent loan to 40 per cent grant; in 1974-1975, two-thirds loans and one-third grant. I'll bet you in 1975-1976 it will be higher still because more and more students will have to opt for the Canada Student Loan portion, with no grants, because of the option which is available to them now. What you're really doing is increasing the overall indebtedness of students in Ontario.

Hon. Mr. Auld: The federal indebtedness is still the same maximum, \$7,800, is it?

Dr. Parr: It is \$9,800.

Hon. Mr. Auld: It's \$9,800. They haven't increased that since they increased their loan ceiling from \$1,400 to \$1,800 this year. Certainly in this province and in the other provinces it would have to be a fairly long course to get to that maximum.

Mr. Laughren: The one that really bothers me is example D, where you've got a gross family income which is very low, \$8,688. You make your deductions and they come to \$7,000; your net family income is \$1,658 after all the deductions. Then you have your educational costs and they come to \$2,494. You have your family contribution of \$1,658 and you have your need of \$836, which leaves a balance of \$800 under OSAP. The first \$800 must be a loan under OSAP, we know that. That means there's a grant of \$40.

Now a student can do one of two things: He can apply for a loan of \$800 and the enormous grant of \$40 and end up with a total of \$840, he can apply for a Canada Student Loan for a total of \$1,650. What do you think a student is going to do?

Hon. Mr. Auld: I think it will depend, actually, on the circumstances.

Mr. Martel: It will depend on what his old man has got, yes.

Mr. Laughren: No, that's already been taken into consideration.

Mr. Martel: Then he can get something out of it—like on the side—Tuesday's allowance and so on.

Mr. Laughren: Yes, whether or not he's got all sorts of deals.

Mr. Martel: Back-up.

Mr. Laughren: Right. Look at example E, where the income is \$10,592 for the family. The need, as assessed under OSAP, is \$612, which means they get a loan of \$610. Under the Canada Student Loan computations the need is almost \$1,700, and that's the loan. What's the student going to do? Is that not increasing the indebtedness of the Ontario student?

Hon. Mr. Auld: It would if the student opted for the Canada Student Loan.

Mr. Martel: What choice has he got?

Mr. Laughren: He hasn't any choice.

Mr. Martel: Unless his old man is E.P. Taylor, or the member for Oxford (Mr. Parrott).

Hon. Mr. Auld: I don't agree with that because if he can get by on the loan and grant—

Mr. Martel: Sure, he'll do it.

Hon. Mr. Auld: —he might well do it in a number of circumstances.

Mr. Martel: Yes.

Hon. Mr. Auld: Because if he goes for the federal programme, he knows that he's going to have to repay all of it.

Mr. Laughren: Are my figures correct on the shift from grants to loans over the years? Could you correct me, please, if they're not?

Mr. Bonner: I don't have the figures here, but the scale is wrong on the last year. It's a 60-40 split for the 1974-1975 year.

Mr. Laughren: It's 60-40 is it?

Mr. Kidd: One of the problems there, of course, you are probably using the estimated figures. The actual came in above the estimate.

Mr. Laughren: Probably both. Is it not true that in 1970-1971 it was about 50-50? That's true, eh? Now it's 60-40. It seems to me that's an obvious shift from grants to loans. I think that is wrong.

Could you tell me, going back to those same years, in 1971-1972, the total amount of money that was made available to students under OSAP grants?

Hon. Mr. Auld: That was the year that it was less than the budgeted figures, it seems to me, because that came up before.

Mr. Bonner: Yes, I think it was approximately \$35.5 million.

Mr. Laughren: How much?

Mr. Bonner: It was \$35.5 million.

Mr. Laughren: I think that's right. It was \$35 million or \$36 million. Were there not, at that time, about 45,000 applicants? I'll supply the figure—there were.

Mr. Bonner: No, there weren't. There were many more applicants.

Mr. Laughren: All right, recipients.

Mr. Bonner: Yes, that's approximately correct.

Mr. Laughren: Okay. The figures I have don't give 1974-1975 total grants. What were the actual grants in 1974-1975? We know that the estimates were \$39 million. Do you know what they actually were?

Hon. Mr. Auld: The grants for last year?

Mr. Laughren: For 1974-1975.

Hon. Mr. Auld: The estimate was \$32.5 million. The actual was about \$39 million-plus.

Mr. Laughren: Well, of the 1974-1975 estimates of \$39 million, what has to come out of there? Administration? Nothing?

Mr. Bonner: That was the grant.

Mr. Laughren: That was the estimate.

Hon. Mr. Auld: No.

Mr. Bonner: That was the actual amount in outside grants, \$39.4 million.

Mr. Laughren: Do you mean it was exactly what was estimated?

Mr. Kidd: No, that includes all the additional programmes, including the graduate scholarship fund, exchange fellowships, etc.

Mr. Laughren: Oh, I'm sorry. Okay.

Mr. Kidd: The actual amount for OSAP was also \$39.4 million.

Mr. Laughren: Okay. Were there about 90,000 in recipients?

Mr. Kidd: No, about 85,000 to 86,000.

Mr. Laughren: I don't have access as you do to Campus 8 to get these figures, Mr. Bonner.

Hon. Mr. Auld: We were trying to get a terminal in here for you today, but we just couldn't work it in the short time available.

Mr. Laughren: I certainly would have had fun with it. I noticed that Mr. Jackson had his own mini-terminal in here before. It's very progressive. So the point I'm trying to make with these numbers is that with about 45,000 you awarded \$35.5 million in grants in 1971-1972. Three years later, with almost twice as many applicants, you give \$39.4 million.

Mr. Martel: Boy, are you ever going gung ho.

Mr. Laughren: That's one reason you are having the shift from grants to loans.

Mr. Bonner: We've got say 85,000 individuals who are receiving something. Many of

those individuals are applying for Canada Student Loan only, because that's all they can get.

Mr. Laughren: Exactly.

Mr. Bonner: That's all they can get if they go to, say, the United States.

Mr. Laughren: That's not a significant number.

Mr. Bonner: It's fair number. We have students in the private vocational schools.

Mr. Laughren: I'd be willing to have that number taken out and it still would show that you have an enormous increase in recipients of student age and a very small increase in the amount of money they are getting under the grant portion. That's clear.

What's bothering me, Mr. Chairman, is that—

Mr. Chairman: I knew something was.

Mr. Laughren: —the ministry is not being straightforward about OSAP. By devious methods, they are shifting the burden of student aid more and more on to the students. I think that's wrong. I think that because we live in a wealthy society and that society at large benefits from an educated work force, that society at large pays for educating that work force. Society paid for the education of the member for Oxford; now he should return that payment through the income tax system.

Mr. Martel: He does every day.

Mr. H. C. Parrott (Oxford): I suspect I do.

Mr. Laughren: When are you going to start?

Mr. Parrott: To repay that? I didn't think I was in default on my income tax payment.

Mr. Martel: You will recall during the last committee meeting we showed that the shift in tax hasn't changed one per cent in 25 years, so you really haven't contributed a hell of a lot more.

Mr. Laughren: Between you and the member for Wellington-Dufferin (Mr. Root).

Mr. Parrott: As a matter of fact, to be quite frank, I'm contributing far less than I used to.

Mr. Martel: But even then you aren't contributing enough.

Mr. Parrott: That's right, it's about a third of what I have paid.

Mr. Laughren: That says something.

Mr. Bounsall: Your interest charges are piling up.

Mr. Parrott: That's true too.

Hon. Mr. Auld: Actually what Mr. Parrott is saying is step out, he just happens to have a chair in his hotel room.

Mr. Martel: He has set up shop, has he?

Hon. Mr. Auld: He'll be glad to make a couple of bucks moonlighting.

Mr. Parrott: It so happens that today I wish they wouldn't go, my wife is there right now. Tomorrow perhaps.

Mr. Laughren: Is she cleaning your room too?

Mr. Parrott: Yes.

Mr. Chairman: I think we should get back to the estimates.

Mr. Martel: What time will you be out?

Hon. Mr. Auld: I'll tell you a little story about dentists.

Mr. Bounsall: If he leaves before 4:30, Mr. Parrott will know where he is going.

Mr. Parrott: Yes, I will leave with you. You were going to tell a story, Mr. Minister.

Hon. Mr. Auld: Yes, when we finish.

Mr. Laughren: Between the two years 1973-1974 and 1974-1975, I believe the number of recipients increased around 13 per cent. Do you know how much the amount of money increased under OSAP; not under all those other programmes?

Mr. Bonner: Under OSAP for 1973-1974, and 1974-1975?

Dr. Parr: Under the grant portion or under the total portion?

Mr. Laughren: Grant portion.

Mr. Bonner: It's either 11 or 12 per cent.

Mr. Martel: You fell short again.

Mr. Laughren: Yes. It's a consistent pattern. I only spent so much time on the figures, but no matter what set of figures I look at, whether it's inflation figures, whether it's number of recipients, whether it's grant versus loan, it all shows a shift away from grants to loans and a deliberate attempt by the ministry, particularly with the option this year, to shift the burden of post-secondary education from

society at large to the individual students. I find that offensive.

Hon. Mr. Auld: Just very briefly, Floyd, there is only so much money for post-secondary education.

Mr. Laughren: Don't use that old, hackneyed line.

Hon. Mr. Auld: Well, it may be old and hackneyed but it is true; maybe that's why it is hackneyed.

Mr. Laughren: It's true, because it's all you choose to allocate to it. That's why.

Hon. Mr. Auld: If there is more money put into the Ontario Student Assistance Programme, there will be less money that will go into the operating support and capital programme.

Mr. Laughren: Perhaps you might consider the \$108 million in the budget that you decided the private sector wouldn't have to pay this year on the purchase of machinery, with no evidence that it increases employment or everything else.

Hon. Mr. Auld: Hopefully, so that it will increase employment in—

Mr. Martel: It never did before. We went through that whole pile of nonsense several years back, and you have never been able to prove it created one job.

Mr. Bounsall: It just allows them to buy automated equipment and decreases the jobs.

Mr. Laughren: Don't hand us the old Tory line about there being only so much money. There is only so much money because the taxation policy of the government has decided there is only going to be that much money. That's a cop-out. An experienced minister like you should know better than to try to get away with it.

Hon. Mr. Auld: Going back to the tax on machinery, hopefully it will increase employment, increase profits and increase tax revenue.

Mr. Martel: No way.

Mr. Laughren: Hope springs eternal.

Mr. Martel: It will result in fewer jobs, because every time you automate you put in a better machine, one that requires fewer employees to look after it and turns out more. You Tories have never learned that.

Mr. Bounsall: And those machines are produced outside the country as well.

Mr. Martel: Yes.

Mr. Laughren: So much for that argument. Have you got another one you would like to use?

Hon. Mr. Auld: Oh, sure, at 6 o'clock.

Mr. Laughren: At 6?

Hon. Mr. Auld: Well, if you want to talk about taxation policies, this is hardly the ministry to do it.

Mr. Laughren: Well, you are the one who talked about there only being so much money available.

Hon. Mr. Auld: I am talking about my estimates.

Mr. Laughren: I am saying that's not—

Mr. Martel: We can cut your salary—by another \$2,000.

Mr. Laughren: It is not as though we are dealing with a finite number of dollars that's available to the government to tax as they see fit.

Hon. Mr. Auld: You know—and don't misunderstand me—things are getting so tough around here we may get our water cut off.

Mr. Martel: Is that right? The coffee won't be as good.

Hon. Mr. Auld: Well, they are having trouble at Sheridan, you know, you only get half a cup of coffee.

Mr. Chairman: Have you any more questions, Mr. Laughren?

Mr. Laughren: Yes, could we get back to the—

Mr. Parrott: It's not as bad as when you were in Environment; you know what else was cut off then.

Mr. Laughren: Regarding this year's bursary programme of \$500,000, I understand that \$500,000 was spent last year as well. Is that correct?

Hon. Mr. Auld: Oh, no.

Mr. Laughren: They didn't spend it all? There was \$500,000 allocated, but \$500,000 was not spent? How many institutions was that \$500,000 spread among in 1974-1975?

Hon. Mr. Auld: In 1974-1975, there were nine institutions and the actual expenditure was \$141,600.

Mr. Laughren: Nine institutions out of 37? No, more than that?

Hon. Mr. Auld: Twenty-two and 15-37, yes.

Mr. Laughren: Thirty-seven. Now you are going from nine to 37 with the same amount of money, \$500,000, as was allocated last year. You spent a hundred and some thousand, right?

Dr. Parr: They spent a hundred-and-some thousand. The money was available, but that was the amount withdrawn.

Mr. Laughren: Do you know why that was all that was spent? Could you tell us?

Hon. Mr. Auld: John, do you want to answer?

Mr. Laughren: I should warn you I know the right answer, but I would like to hear yours.

Mr. Bonner: Do I dare?

Mr. Chairman: Take a shot at it anyway.

Mr. Bonner: We were pretty heavy-handed with the nine institutions that were participating in the programme. We insisted that, if possible, they interview every individual who was brought into the programme. Where possible we asked that consideration be given to people taking one course instead of two, or two courses instead of three, largely because the people we were primarily aiming the programme at were supposed to be people who had never been to post-secondary college or university.

The advice we had been getting from field workers in the Ministry of Community and Social Services was that the individuals who would best benefit from this kind of programme would likely be scared silly of the idea of going into a university or a college; better they take one course rather than two. This would keep the costs down in terms of this particular programme. That's my reason.

Mr. Laughren: I am sure that is partly the reason the \$500,000 wasn't spent. Is it not true—at least according to the students I have talked to and who have written or phoned me—that they ended up getting the money someplace else because of the restrictions and because of the length of time involved, the hassle; because of these things the students ended up going elsewhere for that programme? I mean, do you really think that with all that money sitting there—it's a grant, isn't it?

Mr. Bonner: It's an outright grant, yes.

Mr. Laughren: Can you imagine all that money sitting there and not being tapped un-

less there is a problem in the administration of the programme?

Mr. Bonner: I would hope you would clarify your question. The only instance I can think of that might fit into what you said was that of one student at the University of Windsor who had been interested in the idea of transferring to St. Clair College; but the programme was being administered at Windsor, not at St. Clair. This is the only instance I know of an individual not being able to get money at the institution he wanted to attend.

Mr. Bounsall: I want to come in on this too. One of the real reasons you didn't get that money expended—and it puts real doubt in my mind as to whether you wanted that programme to succeed—was you announced it three weeks after term started. When you have to consult with the field workers of Community and Social Services and the people you want to benefit from this programme three weeks after term started, with those interviews being required, where were you going to be able, in that pilot year, to dig up and find those students? You announced this programme, you put \$500,000 into it as a possibility three weeks after the term started. You didn't give it a chance to operate properly.

Mr. Martel: But you made sure you got a lot of press on it.

Mr. Bounsall: Now, in this year, you extended it to all —

Hon. Mr. Auld: Are you talking about the first year or last year?

Mr. Bounsall: This was last year; when it started, right?

Hon. Mr. Auld: No, last year was the second year. It started in 1973-1974.

Mr. Bounsall: But the details of the programme, and what the student awards officers were allowed to do, came out three weeks after term started.

Hon. Mr. Auld: What significant changes were made between 1973-1974 and 1974-1975? Were there significant changes made in the programme between 1973-1974 and 1974-1975?

Mr. Bonner: No.

Hon. Mr. Auld: So the instructions the awards officers had from 1973-1974 were the same as they got in 1974-1975.

Mr. Bounsall: Let's take this current year, where you are even spreading the same amount

over all the institutions. Through your university reports in the ministry you outline these programmes rather skimpily. You say: "For further details, contact the student awards officers." Those student awards officers, the ones I have contacted, do not know what amount of money they are getting this year. If you know, why don't you announce it to them? They have no brochures, no application forms and are doubtful about the ground rules for this year's operation.

Hon. Mr. Auld: John, you might comment on the information that has gone out, but if they read the paper they would know what the general rules are, because it was in the statement I made in March.

Mr. Bonner: First of all, workshops have been held, more than one, with the student awards officers. In addition, the student awards officers at the nine institutions that participated in the pilot project themselves carried workshops with individuals who have not had any experience with the programme.

In addition, the awards officers have been told that the programme for the third year is identical except for two things; all institutions will be participating and the total amount that is discretionary for the student awards officer to provide to an applicant has been increased from \$150 to \$250.

There is a lot of work involved in this programme; there is a lot of individual interviewing. Some institutions were very concerned about the fact they might not be able to carry the programme the way the ministry would prefer them to. For this reason, the institutions were invited to participate, and the last letter came in about three days ago to tell us that all the institutions will be involved in this programme in 1975-1976. Now we can send out the information about the dollar amount that is available; that is going out this week.

As far as documents and brochures are concerned, the nine institutions that participated in the programme in the last two years are using the same documents they have been using in the past. They have no problems. The field officers from the Ministry of Community and Social Services are going to be holding their first get-together on the programme some time next week, I am told, and there will be several of these over the next month.

As far as the ministry documents are concerned, I understand some of them reached the institutions or are on their way.

Mr. Bounsall: I have talked to student awards officers, not just at the nine institutions that had the programme on the pilot plan basis;

they are pretty concerned because they would like to see the programme work well but they do not have the information in their hands yet. You say it is going out this week and field workers from Community and Social Services will be starting some of their activity next week. But at the moment those student awards officers really do not know what is going on, and they are pretty concerned about it working and as to whether you really have an interest in making this programme work because the information hasn't gotten to them before now—

Mr. Bonner: I am sorry, sir. We have been talking to them over the last three months. What we have been telling them virtually every time we see them is the same information we gave to them at the first meeting. There is nothing new.

Mr. Bounsall: Are you saying that they have sufficient information and details so that they could be swinging into this programme now or that they could have done so last week or the week before?

Mr. Bonner: They should not be swinging into the programme for another month, because the programme is not going to be administered during the summer months at their institution. What they should be doing is setting up whatever available personnel is required to do whatever interviewing they intend to do.

Secondly, I understand they have all been talking about advertising schemes that they themselves carry out. For example, some of them advertise in their institution journals. Some advertise in the local newspapers. Some actually take a spot on the radio. Others in the past have hand-printed items and distributed them to people in first-year programmes that they are aware of in their files who, in their estimation, are the kind of individual who should know about this programme.

I know of some officers who have actually started talking with their field officers and have set up a series of interviews with people who are being referred to them by the Ministry of Community and Social Services.

So some people are clearly quite convinced they know what to do, and to my knowledge, the information has been shared equally with all the awards officers we have been able to talk with.

Mr. Bounsall: I think my point on this is that they don't get the information. It appears that some of them feel they don't get the information on what they should be doing as soon as they would like to get it, and that they are not being given enough time to encourage people

into the programme, which they think is a very commendable one. I do too. But I have my doubts about the timing in the year at which this information becomes available.

If someone who is on mother's allowance is to be encouraged to think about going to university or a college for training, it is going to take—and I believe they are right in this, very right in this—more than having the idea first broached to them in the month of June to start next September. They should be having a lot of lead time to organize their personal lives and to get oriented to the idea of going back to school. Setting up the programme so that the contacts with these individuals start roughly in the month of June is just too late.

Further on this point, what about a person who has been thinking about it and decides to go back on a four-course basis? It appears that this person would be ineligible to receive bursary money under this programme.

Hon. Mr. Auld: On four courses a person would be qualified under the regular programme.

Mr. Bounsall: Well, they need more help and more encouragement than those who take one or two courses if they decide to go back and start in with four.

Hon. Mr. Auld: Do you mean more financial encouragement?

Mr. Bounsall: Yes, right.

Dr. Parr: They fall into the normal OSAP regulations.

Mr. Bounsall: Yes, and that's what makes it impossible for them to really think about going back, too, because of the support moneys they don't get under that programme. I'm talking about the levels of support available to someone in this category—a mother-led family, the mother of which now wants to go back and update her training. It's no great encouragement for them to find out they're out of the bursary programme and in the normal awards programme because they can't make ends meet, financially, under the Ontario Student Assistance Programme in a mother-led family.

Hon. Mr. Auld: I'm not suggesting this programme is going to solve all the problems; I said that when I announced it. I said I thought it was a pretty good, other, next step but I think we will be going further.

Mr. Bounsall: It needs a lot of improvement. While we're on this same general area, what's happening to this student loan programme?

This is a brand new programme, right? You've only got \$100,000 in it.

Hon. Mr. Auld: That would cover about \$3 million in loans because that is for the interest we would be paying on one billing, because it's billed quarterly. We would be paying one billing in this fiscal year, which would be Dec. 31; the next billing would be in the next fiscal year.

Mr. Deacon: Is that at prime rate?

Hon. Mr. Auld: It is prime plus—it's super prime plus one.

Mr. Bonner: The interest rate has not yet been established. Negotiations with the banks are still going on.

Hon. Mr. Auld: As I recall—

Mr. Deacon: It's hardly likely to be over prime. It's the government guarantee of the interest.

Hon. Mr. Auld: There are two kinds of prime. There is a sort of a prime and there is a government prime, as I understand it. We're not involved directly in these negotiations; they are being done by Treasury.

Mr. Bounsall: Isn't it the same thing?

Hon. Mr. Auld: I think I am correct—if you happen to know, John—that generally government prime is roughly one per cent below the public prime.

Mr. Bounsall: I am concerned about the same fate happening to this programme as to the bursary programme. This is the loan programme for part-time students and those not covered by the OSAP programme. The details are not worked out on this yet but here again, people are coming into the awards office not knowing what's going on.

Mr. Bonner: No, sir, that's not quite so. The details are exactly the same as those for the Canada Student Loans Plan. The programme is almost exactly the same. The reason the interest rate has not been set is a very simple one. The Canadian Bankers' Association deals with all governments at about the same time of year and is presently negotiating with the federal government to put the CSL interest rate on a new basis. They are trying to find a way of changing the method of calculating interest on Canada student loans.

As Ontario is the largest participant in the Canada Student Loans Plan it is better for us not to set up some sort of arrangement on a small loans plan and then have the Bankers'

Association say to the federal government, "Ontario is quite willing to accept this kind of arrangement; why not you, too?" That's the only reason that has not been set.

Mr. Bounsall: When do you anticipate it being set?

Mr. Bonner: Normally, these things are announced on July 1st.

Mr. Chairman: Mr. Deacon?

Mr. Laughren: That was just an interjection in my remarks.

Mr. Chairman: I am sorry but it was an extensive one.

Mr. Laughren: That's not my fault. You're the chairman; you should rule these people out of order.

Mr. Chairman: I thought you were through, Mr. Laughren.

Mr. Laughren: I was just getting warmed up actually. I don't mind; go ahead.

Mr. Bonner: There is one point in addition and that is the application forms for this new loans plan are already in the institutions. The awards officers, as far as I know, are aware that this same application is applicable for Canada student loans, the Ontario assistance programme and the new Ontario Student Loans Plan. It's the same application.

Mr. Deacon: Before you go on, may I get the information I asked for yesterday on the amount of fee revenue and government grant in 1974-1975 and the number of students who were involved in each case? You were going to get that for me.

Hon. Mr. Auld: Here we are.

Mr. Deacon: Do you have the number of students and the other detail?

Hon. Mr. Auld: I've got the fees.

Mr. Deacon: You gave me block amounts before. I want to get it down to per student, and if they are full-time students or full-time student equivalents.

Hon. Mr. Auld: No, I just have the fees. I am afraid I misunderstood.

Mr. Deacon: I want to get something to help establish a relationship between what the burden is on a student now compared to what it was.

Dr. Parr: We have the comparable fees.

Hon. Mr. Auld: Yes, this might help you. For instance, the top line is Carleton in arts and science and engineering; and then graduate, comparison between 1950 and 1974.

Mr. Deacon: Yes, this may be all right.

Hon. Mr. Auld: Carleton, McMaster, Ottawa, Queen's, Toronto and Western.

Mr. Deacon: Do you have the amounts that are assigned to these universities by the government in total government grant in the current year and what you are planning?

Dr. Parr: For the current year, yes.

Hon. Mr. Auld: Yes.

Mr. Deacon: If I can get that then I can work from that.

Hon. Mr. Auld: I can give you that shortly. It's still in the book here.

Mr. Deacon: I'll come back to it later on.

Mr. Chairman: Mr. Martel.

Mr. Martel: I want to talk about one section of this. In involves a letter I wrote to the minister on Nov. 6. Let me put it on the record. It is a very brief letter.

Mr. Chairman: Mr. Martel, this isn't really the official record; it's Hansard. The official record is the journals of the House.

Mr. Martel: We'll put it in anyway. Let's put it in Hansard then. It's only three paragraphs. It's written to hon. James Auld regarding German Sanchez, who by the way is a Chilean student. It says:

Mr. Sanchez, a Chilean refugee, has been in Canada for approximately four months. As you know, the federal government is not giving the Chileans landed immigrant status. They must prove first that they are—and I find it difficult to find the appropriate word—clean.

It didn't apply to the Ugandans and it didn't apply to the Czechs, but it did to the Chileans. Just savour this.

Apparently the fear, at least according to the immigration people, is that the left wing might have come with the Chileans and therefore they are a menace to our society. Under the Canada Student Loan Policy, students must have one year of residency to qualify. I understand however that the restrictions were waived when the Czechoslovakians came to Canada. It is my information that the Department of Immigration

found money in their coffers for these people. I understand further that the Ugandans also received assistance and that the requirements for Canada Student Loans were waived there as well. I, therefore, find it difficult to understand why the same didn't apply for the Chilean students. This seems to be straightforward discrimination.

I am, therefore, requesting that the Ontario government, through the Ministry of Colleges and Universities, approach the federal government to have the Canada Student Loan requirements lifted for the Chilean students as they were for the Czechs and for the Ugandans. I am further requesting that the Minister of Colleges and Universities provide assistance as quickly as possible through a grant or loan for Mr. German Sanchez.

That was Nov. 6. To show you how anxious the Ontario government was about this situation, several months later I again wrote the minister, because he wasn't very upset and neither was anyone on his staff about these Chilean students having financial difficulty. I wrote on Nov. 6 and on Dec. 23 I wrote the minister again. I said: "On Nov. 6 I wrote to you re the above matter and as yet have not received an acknowledgment even."

That was a month and one half. You'll never guess. I got an answer and it was dated Feb. 10. In so far as this government was concerned, Mr. Sanchez could eat cake, couldn't he? You weren't too concerned about him for four months. Let me tell you, Mr. Chairman, what the minister said, which just blew my mind. It really did. They talk about Ed Havrot's hypocrisy—they really do—and his statements the other day. Yours were no better because they had all the overtones possible; they really did.

Here is the minister's reply:

My apologies for the delay in replying to you about the possibilities of financing Mr. German Sanchez' education this year. I have taken some additional time, therefore, to determine once again the present position of the federal government [a long time].

In the past, certain criteria of the Canada Student Loan programme were indeed waived when Czechs and later Ugandan refugees were accepted into Canada. Federal officials made it clear, however, that this action was taken only after certain conditions satisfied the Department of Manpower and Immigration—language proficiency; some period of permanent residency and the likelihood of employment as a result of any studies that the individual might engage in.

The Chileans wouldn't qualify that way. They would get into certain fields I suppose.

On both these early occasions—

Hon. Mr. Auld: I just want to point out to Hansard that that last little bit wasn't in my letter.

Mr. Martel: That's right, pardon me. I want to stop and make it abundantly clear that the minister stopped at the "likelihood of employment as a result of any studies that the individual might engage in." That is the end of the minister's quote. I further added that of course Chileans—even if they got the required education—wouldn't get jobs. That's what you were saying.

On both these early occasions, large numbers of these individuals were encouraged to enrol in skill-oriented programmes offered through Manpower.

Like medicine and so on; dentistry. Chileans couldn't rise that high, could they? They don't have dentists in Chile, do they, or anyone with those types of skills, I suppose? Or anyone who could acquire those types of skills; that is what you are saying to me.

"One of the responsibilities of the individual"—

Hon. Mr. Auld: Are you back to the letter now? I was just thinking how this was going to come out. I would like to make sure that my letter is quoted correctly.

Mr. Martel: I am going back to the minister's letter. "One of the responsibilities of the individual upon acceptance into Canada is that of becoming self-sufficient as quickly as possible."

The end of the minister's statement; in that paragraph. Chileans—and I am posing the question—couldn't become self-sufficient. Ugandans could and Czechs could but not Chileans. I am going back to the minister's letter: "The federal authorities do not see the—"

Mr. Chairman: Mr. Martel, you should be very careful.

Mr. Martel: "—waiving of the Canada Student Loan Plan criteria in the past as a binding precedent."

I leave the minister's letter for a moment. I suppose not. I suppose the government of Canada—and my Liberal friends would be proud of them for doing that—wouldn't feel that one would provide assistance to people when a democratically elected government was overthrown.

I am going back to the letter:

The advice of the Department of Manpower and Immigration on this matter is that the current job market is such that it is now in the best interest of the refugees from Chile to go through Manpower training or to enter the job market directly.

I leave the minister's letter for a moment.

What are you talking about? You are talking class, Mr. Minister,—straight class. They could go and work in the coal mines and that is okay, even if they are fairly highly educated. That's the best place for them, isn't it? Heaven forbid that you try to assist them financially.

We go back to the minister's letter:

In the face of new experience when a number of students are now being over-educated and underskilled for the job opportunities available to them at this time, I feel some sympathy with the viewpoint.

I leave the minister's letter. The minister is saying you wouldn't want to overeducate them and have them underskilled, otherwise they might not find a job. I wonder if the same applied to the Ugandans whom Amin ran out of Africa two years ago; old Idi Amin ran them out. Or the Czechs previous to that.

We don't need skilful people in Canada yet the green paper the federal government just brought down, with its four volumes, is asking the very question, "Should we continue to take people out of those countries?" On one hand they are willing to waive the criteria depending on where you come from. That's what it's really about.

Some came from behind the Iron Curtain and we have provided assistance. There was a legitimately, democratically elected government, Marxist in nature, overthrown in Chile, but because those people fled the junta you don't provide assistance to them and you say, "Let them eat cake." If they can find their way in Canada, and stay around long enough, we might even give them a job, but surely to God we are not going to give them any financial assistance to get an education. We do it for everyone else.

That's what really bothers me and, Mr. Minister, that you would accept the garbage thrown at you by the federal government really bothers me. If the federal government saw fit to waive it for the people from Uganda, I have no objection to that, absolutely none, and if they had the sense to assist the Czechs to relocate and put them through university, I have no objection to that either; I am all for it. But when you start to discriminate when we bring in people from Chile and the federal government says, "Oh no," and they find every sick excuse,

and you accept it, not to provide assistance, then it becomes class, then it has all the bigotry around it that I know, and that bothers me, Mr. Minister.

You should have led the way and said they were every bit as much an immigrant as were the people from Czechoslovakia seeking freedom, as were the people from Uganda, and if we are going to provide loans and grants to those people, surely to God we should provide it for the Chileans in the same sense and with the same spirit. But we don't. The federal government leads the way and you people cower. You do exactly the same thing. It was easy to do. There is a handful of them in Canada—150 or some ridiculous number.

Hon. Mr. Auld: I don't know.

Mr. Martel: I will bet you a dollar to a doughnut we will waive the one-year regulation for people who come out of Vietnam, and I have no opposition to that either. All I say is, you should play the game the same way right down the line. You haven't done it and neither have the feds, and both of you bloody well stand condemned.

Hon. Mr. Auld: I would like to apologize again for being so long in replying, but perhaps John Bonner, who is following it up, could give us the details of what happened.

Mr. Bonner: Yes, the delay for the reply was largely my own fault. I think I wrote four or five letters on the same subject to various MPPs, and I think yours must have slipped by, but when the federal government speaks of waiving the criteria, it doesn't mean they allow the student to get assistance under the Canada Student Loans Plan.

What it means is—and it has taken a long time for us to get this explanation and we still don't have a full one—the Department of Finance, through the guaranteed loans administration, and the Department of Manpower and Immigration make some sort of arrangement to carry the student until the residency criteria are indeed met and then the student can get Canada Student Loans and, in Ontario, OSAP.

The same conditions that were there for the Ugandan student and for the Czechoslovakian student were there for the student from Chile, except that the federal government was far more vigorous in recommending to the Chilean students that they opt for language programmes and that they opt for programmes that are funded and sponsored by Manpower.

Mr. Martel: Now that's funny—let me stop you there for a moment—that's funny, because

I share an office with a federal MP who is trying to get funding for the Chilean students as well, and the federal authorities passed the buck to you people and said it was Toronto and the Ontario government. I have seen the letters from the Minister of Manpower and Immigration to Mr. Rodriguez suggesting that it was Toronto's fault; that they were all for giving them money but Toronto didn't want to.

Mr. Bonner: I am sorry, sir. We have nothing that would make us take that position. If it is at all of interest to you, the ministry is indeed pursuing this matter with the people who seem to be the obstacle as far as we can identify it. In the discussions surrounding the introduction of the green paper on immigration, one of the concerns we have as a province has been the treatment of refugees who wish to pursue post-secondary studies.

Mr. Martel: We found a way to assist people from other countries in a hurry, and that's great. But when we start to draw lines, the way we did with the Chile incident, it really is disturbing. A mere handful. And we took doctors and dentists from other countries and we retrained them and we put them out in the field; and we have many of them in northern Ontario doing excellent work. I just find it offensive. I really find it personally offensive that we couldn't expedite the same sort of thing because they happen to come from Chile. That's what it was really all about.

Mr. Laughren: That was a terrible letter. I got the same letter.

Mr. Martel: Just a horrendous letter.

Mr. Laughren: Once again you stand rebuked.

Mr. Martel: I'm going to leave it, because there's no sense, no help for Mr. Sanchez now. But, you know, the way we dragged our feet, the way it took so long to get responses, we really didn't demonstrate a hell of a lot of concern—we really didn't.

Mr. J. H. Jessiman (Fort William): Carried?

Mr. Laughren: Yes, that's the kind of vote you would like to see carried without debate at all.

Mr. Martel: The member might have been here for the first part. When all the regulations were waived for people from Uganda and from Czechoslovakia, why wouldn't it apply right down the line with consistency? That's what we're talking about. It's a thing called fairness.

Mr. Laughren: Explain it to him.

Mr. Martel: If you're not concerned, you might read the stuff by the various church-oriented groups and the meetings they're having now with what's going on in that bloody country.

Mr. Chairman: Mr. Deacon.

Mr. Deacon: Yes, on the Ontario graduate scholarships, how are they developing some sort of standard for this that is reasonable in the face of the increasing disparity in the standards of the high schools across the province as to what their various grades are? How are you attaining some kind of judgement on this that means that a grant to a high school—

Hon. Mr. Auld: These are for graduates who graduate at university.

Mr. Deacon: I thought this had to do with the Ontario scholarship.

Hon. Mr. Auld: This is the same programme that replaced the Ontario graduate fellowships.

Mr. Deacon: Oh, right. You're not having a problem with graduate fellowships, then?

Dr. Parr: No, the matter of the decision of who receives them is entirely in the hands of academic panels.

Mr. Deacon: And the exchange fellowships in Ontario and Quebec, are they—

Hon. Mr. Auld: That's one we administer for the feds.

Mr. Deacon: Is it one that's fully taken up?

Hon. Mr. Auld: No, this is the Ontario-Quebec programme, isn't it?

Mr. Kidd: Yes, the exchange.

Hon. Mr. Auld: We pay for seven Quebec students and they pay for seven Ontario students.

Mr. Deacon: It's seven? So that's \$52,500. -

Dr. Parr: It is \$7,500 each.

Mr. Deacon: Is that \$7,500 a year?

Mr. Kidd: Yes.

Hon. Mr. Auld: Well, that's everything—travel expenses, living expenses.

Mr. Deacon: Okay. And the second-language teacher bursaries—is that Ottawa-supported?

Hon. Mr. Auld: That's a supported one, yes.

Mr. Deacon: Does all that money come from Ottawa, the \$453,000?

Hon. Mr. Auld: Yes, \$341,000 is bursaries and \$112,000 is travel. Is there a note in here? Since the estimates were made up, the federal government have increased their allocation.

Mr. Deacon: There are bursaries and fellowships there. Are the fellowships for other than the teachers?

Mr. Kidd: For full-time study.

Mr. Deacon: With what end in view?

Mr. Kidd: To study in the milieu of the second language. The programme is split into two: The fellowships for second-language study are to encourage anglophones to study in French and for people who have studied in French to enter the first programme of studies at the post-secondary level in French.

Mr. Laughren: Is there anything like that for members?

Hon. Mr. Auld: No, we could get you some textbooks though.

Mr. Laughren: Textbooks. Where will you find them?

Hon. Mr. Auld: I'll ask Monsieur Cloutier if he can send up some for you.

Mr. Deacon: What amount is the bursary and the fellowship in each case?

Hon. Mr. Auld: Let me finish that other bit. The amount for bursaries to second-language teachers is actually shown here as \$443,000 but it has subsequently been fixed by the feds at \$682,000. That is a maximum bursary of \$300, plus travel costs in certain cases.

Mr. Deacon: That is money out of their pocket; it's not out of yours but you're administering it?

Hon. Mr. Auld: Yes, it's 100 per cent reimbursable by the federal government.

Mr. Deacon: That's \$300 plus travel?

Hon. Mr. Auld: It's not travel in every case, but I suppose that in some cases there is very little travel.

Mr. Deacon: But \$300 is not a very big amount. What sort of a course is it?

Mr. Kidd: It's a six-week summer programme.

Mr. Deacon: This is a Laval type of thing?

Mr. Kidd: It is for teachers who have applied as teachers of French as a second language.

Mr. Deacon: And the fellowships are for study in the second language by anybody?

Mr. Kidd: Yes, for full-time post-secondary students.

Mr. Deacon: What are the amounts provided for there in the total of \$392,000? What is the number?

Hon. Mr. Auld: The maximum award is \$1,000 bursary, plus \$1,000 living allowance for those who live within commuting distance from the nearest institution which offers the desired programme in French. They are 100 per cent reimbursable by the federal government.

Mr. Deacon: Is that one still at \$392,000 or has it been increased?

Hon. Mr. Auld: Yes, that is still at \$392,000. Last year it was that amount and the actual was only \$375,000 that was expended.

Mr. Deacon: Have you filled applications for the openings in both the teacher one for \$300 and the other?

Dr. Parr: The teacher one is oversubscribed and it is a little too soon to say about the fellowship one.

Mr. Kidd: We have changed the rules for the fellowship one somewhat. We've opened it up a little bit; so more people should be eligible.

Mr. Deacon: Thank you.

Mr. Chairman: Mr. Laughren.

Mr. Laughren: As I was saying before I was interrupted, I don't like what the ministry is doing to student support in the province and the Ontario graduate scholarship is a good example. I'm sure you'll correct me once again if I'm wrong. In 1969, there was \$6 million allocated for what used to be called the Ontario graduate fellowship.

Dr. Parr: Which was a very different programme.

Mr. Laughren: How so?

Dr. Parr: The Ontario graduate fellowship programme was basically to provide support for post-graduate students whose intention was to go into teaching. Each university used to get a certain amount of money which it itself could allocate. I believe what you are going to say

next is that that amount was reduced, which it was.

Mr. Laughren: By 50 per cent.

Dr. Parr: Eventually, a few years ago, at the request of the university community and recommended by the Committee on University Affairs, it was felt it would be much more appropriate for the current times to put that amount of money, which by that time had been reduced to about \$3 million to a graduate scholarship programme which would reward excellence and not require the proposed commitment of going into teaching. So it has become a scholarship programme.

Mr. Laughren: It's opened up to an even larger number of applicants than it was previously?

Dr. Parr: No, because the value of the award is increased.

Hon. Mr. Auld: The value of the scholarships.

Mr. Laughren: What's that got to do with the number of people who are eligible to apply for it? There's an increased number of people now eligible to apply for this programme; more than previously, right?

Dr. Parr: Yes, indeed.

Mr. Laughren: And you have fewer dollars available; 50 per cent fewer.

Dr. Parr: Except that the number of eligible people is probably reduced because of the high scholastic qualities required.

Mr. Laughren: That's another rationalization for doing something bad to student aid I suppose.

Hon. Mr. Auld: As you perhaps know, last year it was \$3 million, but the committee only awarded \$2,150,000 because it said that amount covered all the people it considered to be academically qualified.

Mr. Laughren: I see. That's remarkable. You really think that's the ceiling on scholastic ability in the Province of Ontario?

Hon. Mr. Auld: I don't, but they did.

Mr. Laughren: Yes.

Hon. Mr. Auld: That is among those who applied; but of course you want to remember there are a lot of people who may have received scholarship or research grants and other things from other sources; particularly the govern-

ment of Canada, which would mean they couldn't be accepted in this programme.

Mr. Laughren: The award has gone up for the people who do qualify for it, I believe; the amount of dollars has increased.

Hon. Mr. Auld: It's \$800 per term, plus tuition and other incidental fees, and the awards are for either two or three terms.

Mr. Laughren: And there are only 1,000 awards, is that right?

Hon. Mr. Auld: Yes, 1,000 awards; 150 based on nominations from each of the provincially-assisted universities, and the other 850 through an open competition.

Mr. Laughren: It seems to me that in 1969 you had \$6 million and you had 2,700 awards, and that's with 10,000 graduate students. In 1974-1975, you had half as much money, \$3 million, you had 14,000 graduate students and 1,000 awards. So what you are doing, it's clear, is you are restricting the number of people who can get the awards and you are restricting the amount of dollars going out to fewer people.

Hon. Mr. Auld: No, there were fewer than 1,000 people. I think 800 and something wasn't it?

Dr. Parr: The award was the same amount, \$800 per term.

Hon. Mr. Auld: Oh yes, the amount of the award was the same, but in fact not all of the 1,000 scholarships were awarded.

Dr. Parr: Mr. Cummins tells me the fellowship was worth \$750 per term and no fees. The scholarship is \$800 per term plus fees, so it's worth substantially more.

Mr. Laughren: Yes, but a lot fewer people are getting it. Obviously; I mean the maximum is 1,000 and you gave 850 you say last year? I don't believe that—

Hon. Mr. Auld: It was \$800 per term plus tuition and other incidental fees. So I imagine it would vary a little.

Mr. Laughren: I know it had nothing at all to do with need either, I realize that. If you are not using up the amount on scholastic achievement perhaps you might dip into the whole area of need a little bit, for graduate students as well. I know what you are trying to do, I suspect, is have one area where academic excellence is the sole criterion for an award. I suspect that's what the rule is here. That's fine, but you should look around; there's enough

academic excellence in the Province of Ontario that you could use up that money.

Mr. R. L. Cummins (University Affairs Officer, University Affairs Division): It should be borne in mind, Mr. Chairman, that there are several millions of dollars available to the 14,000 graduate students in Ontario from the federal programmes, Canada Council, NRC, CMHC. We estimate that about \$12 million is provided from basic operating income for teaching assistantships, and probably another \$8 million from various research funding programmes for research assistantships, as well as several million from private and other sources. That is in addition to the Ontario Student Assistance Programme and the Canada Student Loan Programme, so you could say that the total amount of money available for graduate support in the province is probably in excess of \$30 million, if you take it globally.

Mr. Laughren: Do you think that all those other programmes you mentioned have been cut by 50 per cent since 1969? Would you not say that support for graduate students from other sources has increased since 1969?

Mr. Cummins: As was previously pointed out, the programme that existed in 1969 had a special purpose, and its purpose has been satisfied. I believe it is reasonable, therefore, in the interests of the taxpayers of the province, to phase that particular programme out. It has served its purpose and here is a new need for—

Hon. Mr. Auld: Just to cheer you up, Floyd, that \$3 million is now probably in the operating support for universities.

Mr. Laughren: I like the use of the word "probably." You are not sure either.

Hon. Mr. Auld: Well, it might be in student awards.

Mr. Laughren: You don't know where it is.

Hon. Mr. Auld: It is in that big pot somewhere.

Mr. Laughren: Or it could be in the Ministry of Culture and Recreation. You don't have a clue where it is. That was a silly statement to make.

Could I ask the minister, Mr. Chairman about the Ontario Student Loans Plan? Perhaps I am remiss, but I can't find any details on it.

Hon. Mr. Auld: Well, perhaps you were out when Mr. Kidd explained that the criteria are the same as the federal ones, except in length of courses and part-time and so on. Do

you want to give a short synopsis of that again, Frank?

Mr. Kidd: Mr. Bounsall asked the same question. I think there is \$3 million worth of loans; the amount shown in the budget there is interest subsidization for one quarter for this coming fiscal year. The conditions and terms of award are much the same as for the OSAP plan and it is for those who are ineligible for that plan. The application forms are going to be the same as for OSAP, and have already been distributed.

The interest rate has not been set, because it is going to be set in conjunction with the banks and the bank authorities when they set the Canada student loan interest rate, which will be around about the beginning of July.

Mr. Laughren: One other thing I want to ask you about has to do with OSAP and women. There are a number of factors that enter into it.

I notice, for example, under the calculations for OSAP, that babysitting costs are considered a deduction from income rather than an educational cost. It seems to me that if a particular woman is the head of family by herself, babysitting should be regarded as an educational cost rather than a deduction from income. I wonder why you haven't realized that that is a legitimate educational cost for somebody in that position.

Mr. Bonner: Yes, that's a proposal that came in to us not many weeks ago, and we will be considering it for the following year, I imagine. The rationale for all allowances in the past has been that against gross income the individual is spending certain amounts of money for certain needs; and it was assumed that a certain amount of money was tied up for babysitting costs. That's why it is subtracted from the gross income.

Mr. Laughren: But I sure think it would be more realistic and a lot fairer to consider it as an education cost. How else can they get their education without that cost? It is simply impossible.

Mr. Bonner: You will notice, of course, in the Ontario Special Bursary Programme, the thinking that you are advocating is already there.

Mr. Laughren: I hope then that you will move that way with OSAP.

There is also the whole question of the student awards—the loans, grants and repayments—concerning women, because we know that women earn less money when they grad-

uate than do men. That is a generalization, but it's true—statistically correct. I believe the Secretary of State—with whom you deal intimately, don't you?—says that women graduates earn 19 per cent less than do men graduates. Therefore how do you rationalize having the same OSAP calculations except for summer contributions, for women as you do for men? In terms of the loan repayment, there is no consideration given at all, as far as I can detect, for women graduates who then want to pay back their award. Am I correct?

Mr. Bonner: Yes. In the past three months the ministry has received several briefs concerning women and OSAP. Some of these have been quite critical of the ministry because of discrepancies built into the programme. There are different allowances, such as the summer contribution table—men being asked to contribute one kind of dollar amount and women another kind of dollar amount. At the same time, we have had briefs which have been critical of the ministry because we make that kind of distinction.

Mr. Laughren: Well, a pox on their houses. Do what you know is right.

Mr. Bonner: Both were claiming to be speaking for women at large.

Mr. Laughren: I am sure that is so.

Mr. Bonner: Okay, there is one other point you raised. In repayment, the individual student, regardless of sex, makes the arrangement for repayment with the bank that they have their account at.

Mr. Laughren: Not in terms of the total amount to be repaid, though.

Mr. Bonner: Not in terms of the total amount to be repaid, but in terms of how it is repaid.

Mr. Laughren: One group presented you with a brief I think it went to you people—suggesting that there be a 20 per cent reduction of the loan to be repaid. That would be one way of handling it—where you treat everybody equally when they apply for a loan, and when they get it, and everything else. But, when it comes time to repay it, you allow a 20 per cent reduction in the amount to be repaid. That is one way of doing it. Go ahead and say it.

Mr. Bonner: I was going to say that is one form of contingent repayment plan.

Mr. Laughren: That is exactly what it is. I don't know whether the federal government seems to be more aware of the whole question

of sex discrimination than is the provincial government, and I am not too sure whether or not you could weasel something out of the federal government or not. You could try at least. Maybe there is some money there.

It would be nice to see one ministry of this government do something other than issue a brochure or host a luncheon in International Women's Year for the cause of women. I didn't detect any sense of aggression, or fervour, or passion, on behalf of women the other day when we had the women's co-ordinator in your ministry up here at the front; I think you need an angry young woman in the ministry to ensure that the minister does not continue in his typical ways, and someone who will challenge his attitudes. I don't think that is being done.

Mr. Chairman: If you spoke loudly, his wife would be here today, I think.

Mr. Laughren: No, I just phoned her when I went out. She is still busy.

Hon. Mr. Auld: There goes the cleaning.

Mr. Laughren: Well, I think, Mr. Chairman, that the ministry should do something for student aid, and there is one area you could do it. You could help the women in the province during International Women's Year by making some changes in OSAP.

Mr. Chairman: Item 2 carried? Carried.

Item 3.

Mr. Deacon: How many applied under this student summer enterprise project this year? You had a \$1,000 limit per person; the applicants were called for April 1 and you were to give your decision by April 30. How many were actually dealt with?

Hon. Mr. Auld: The target would be up to about 450 people; that is the one that is being co-ordinated by the Toronto Y around the province.

Mr. Deacon: Toronto Y? You are talking about the Ontario Chamber of Commerce and the Royal Bank?

Hon. Mr. Auld: Ontario youth summer enterprise—oh, sorry. We provide up to 150 people with interest-free loans to a maximum of \$1,000.

Mr. Deacon: What was the actual result of that? You would have this all finished with now, as far as lending the money I would think—at least the approval.

Hon. Mr. Auld: As of May 27, the projects in—

Mr. Deacon: Maybe the person who is in charge of it would be able to tell us.

Hon. Mr. Auld: There have been 31 projects approved, totalling \$28,660. There are five projects still being considered, with a total of \$4,400 involved. That's a total of 36 and there have been four rejected.

Mr. Deacon: There wasn't that much of a response to it then?

Hon. Mr. Auld: Well let's see, last year was the first year, when we had—how many were there, Ted?

Mr. C. E. Brown (MCU Awards Office, Student Awards Branch): Fifteen projects were approved last year.

Hon. Mr. Auld: Oh, this is Ted Brown, excuse me.

Mr. Brown: Fifteen projects were approved last year and there were 12 that actually started.

Mr. Deacon: And what was their experience?

Mr. Brown: The results of the last year's programmes?

Mr. Deacon: Yes.

Dr. Parr: Very satisfactory.

Mr. Brown: Very satisfactory as far as a business enterprise is concerned. Last year we allowed for 32 \$1,000 loans, and there was \$8,000 for administration. Last year we had 350 requests for applications. We received only 25 back through the local chambers of commerce. A lot of people were interested in starting but—

Mr. Deacon: They were sifted out before they got to you by the chambers of commerce?

Mr. Brown: Well, once the students saw what was required—cash flows etc.—one reason was they didn't think \$1,000 was enough money. The other, they didn't really think their venture was going to make money, so they just dropped it. Of the 25 that came back, 15 were approved for loans from \$200 up to \$1,000. I'll just run through them quickly—\$1,000 loan, growing white beans, a total repayment of loan plus \$2,500 net profit. That was one person. Installing patios, two partners got \$1,000 loan, repaid the loan and \$3,000 net profit per partner. Log salvaging, there were two partners, a \$1,000 loan repayment, with \$2,500 per partner. Boat repairs, loan repaid, two partners, \$3,000 net profit.

Mr. Deacon: Has publicity about this been given out to chambers of commerce?

Mr. Brown: The chambers were aware of the results, and the bank as well.

Mr. Deacon: To my mind, this sort of thing is a very good way to teach youngsters some of the difficulties and hazards in business, but also to let them realize there is a real profit potential in it. I think it is an excellent programme and I'm disappointed there aren't an awful lot more involved. I think that is a very dismal number.

Hon. Mr. Auld: I must say I was expecting a greater response this year. We did, through the Ontario Chamber, circularize and inform all the chambers, around Christmastime I guess, of the results of last year. Perhaps we have to find a better way of helping the chambers and ourselves publicize the fact that there is such a programme.

Mr. Deacon: If you're using the Royal Bank, they might have a more effective means of promoting it.

Hon. Mr. Auld: The Royal Bank was the first one which said it would go in it, but if you decide to go to another bank, your own bank, you can.

Mr. Deacon: It seems to me important to the high schools and others that we do get some good results, that some people have done very well out of it. Maybe there are a lot of restrictions which there have to be with anything you're going into; you have to know what is your cash flow and what things are required. Certainly, I would think it would do a lot to provide summer employment opportunities of that sort. I was hoping we would be up to 1,000.

Hon. Mr. Auld: It may be that in some of the smaller communities, of which there are a great many in the province, of course, summer-time is a difficult time to get members of the chamber to put in the time for supervision.

Mr. Deacon: This has an April 1 deadline for application. On April 30, according to what I understand, they are supposed to give their verdict and it's a perfect time.

Hon. Mr. Auld: I know, but the chamber committee—when somebody in the chamber is sort of allotted as a big brother or—

Mr. Deacon: Maybe we should be going through service clubs or something of that sort but it seems to me we're really missing a great opportunity.

Hon. Mr. Auld: I am anxious to find ways of getting more people involved in this.

Mr. Deacon: I was hoping they would be up to 1,000 or so. There should be at least one venture of this sort going in every high school.

Mr. Chairman: I was suggesting to the minister that empty bottle depots in various places in the province which don't have them, with say an old barn or something of that nature to store them in, would be an excellent programme.

Mr. Deacon: I am sure youngsters are capable of developing ideas and I think a little bit of background literature on the experiences people have had and what was necessary is always important. I would think getting to the highschools might be the way to—

Dr. Parr: I was just going to add, Mr. Deacon, it did receive a favourable press in many of the newspapers, so it was seen that way.

Mr. Deacon: It is really disappointing. I am really disappointed that 31 is all we have.

Mr. Brown: Mr. Chairman, if I may, we did extend the deadline after the April 1 published deadline because of the mail strike, which we got caught in the middle of with brochures, applications, etc., going out to the institutions, plus replies coming back to us. We did extend that; and we have extended it even beyond that. There are a few in the figures I gave you on the five still outstanding. There might be more there, because some students have gone directly to the chambers. They've given us a phone call and asked: "Is it all right to go ahead?" We have said yes, because we've still got money left to loan out.

Mr. Deacon: Actually, you don't need to be putting the money out, do you? I thought the money came from the bank.

Mr. Brown: No, the money for this particular programme is a direct loan from the ministry to the student and the student repays the ministry. If they aren't successful, we look at it then.

Mr. Deacon: Is it the most efficient way? I wonder if this is the most efficient and effective way to do it. Should there not be an arrangement through the banks which have the knowledge to sort these things and—

Mr. Brown: The Royal Bank especially has said that if it knows the student has been approved, it will give him the \$1,000 or whatever amount we've decreed while we're waiting to get the cheques raised. As you know, there is

usually a slight delay in raising cheques. The bank will do that and it might in some cases, if they think it is very favourable, give the kid more money.

Mr. Deacon: The banks now are the ones that really give the student loans, aren't they?

Hon. Mr. Auld: At the moment—

Mr. Deacon: They are being guaranteed the security of the loan by the government. It seemed to me that sort of procedure is a lot better than trying to do it through your own ministry. I think maybe this is where our trouble is.

Hon. Mr. Auld: It is, although I gather—and I can't give you the details, perhaps Mr. Brown can—that when we looked at it, we decided we wanted to use the bank but for bank purposes they wanted the actual money. I think that has something to do with the interest rate, doesn't it?

Mr. Brown: The banks are not too anxious to do an interest-free loan for a one or two-month period.

Mr. Deacon: Oh, are these interest-free?

Mr. Brown: These are interest-free loans.

Hon. Mr. Auld: And they will do it for a week or two.

Mr. Deacon: Yes, I can see an interest-free—

Hon. Mr. Auld: Or, say, three months.

Mr. Deacon: But even then you in effect can be paying the bank the amount.

Dr. Parr: Yes. I think that's true; and it may well be worthwhile exploring it in terms of distributing this to more people. But it would involve more paper work because we would then have to make a banking arrangement to pay off the interest and so on.

Mr. Deacon: The accounting could be done very smoothly though, if you didn't, in fact, have them bill you for the—

Hon. Mr. Auld: I think we will be able to next year, Don, but it being a new and rather experimental programme, I think Management Board suggested last year, when we started, that they wanted to see the money in the estimates rather than start something and have us come back and say we need \$50,000 more.

Mr. Deacon: I would think that because we have a chartered bank system, you could perhaps say to each bank that they have so much they can have for—

Hon. Mr. Auld: Once we have some experience in the loss ratio we can then estimate, say interest plus losses, and as Dr. Parr says be able to do a good deal more.

Mr. Deacon: I will be very surprised—working the way you are now through the chambers of commerce and through the local banks setup if you have very much of a loss ratio.

Mr. Brown: Our loss ratio last year was very slender, a \$635 loss on about \$20,000 going out.

Hon. Mr. Auld: My employees used a consultant last year.

Mr. Deacon: It is a very exciting idea. I think it's a very, very exciting idea. The thing is it seems a shame to me that we don't have 1,000 at least in it this year.

Mr. Chairman: Anything further, Mr. Deacon?

Mr. Deacon: No, no.

Mr. Chairman: Mr. Foulds?

Mr. J. F. Foulds (Port Arthur): Thank you, Mr. Chairman. I just want to pursue this matter a bit. First of all, what was the rationalization for having the programme, if not administered sort of handled through the chambers of commerce?

Hon. Mr. Auld: Because it's a business-oriented programme and we wanted somebody in the community with a business background who would assist the students in their book-keeping and in their general sort of business operation.

Mr. Foulds: Two comments result; one perhaps frivolous, the other more serious. Perhaps the lack of response indicates a lack of promotional ability on the part of the chambers of commerce across the province, which I wouldn't have thought would be so.

Hon. Mr. Auld: That's the frivolous one; now what's the serious one?

Mr. Foulds: The more serious one is, surely that inhibits university students particularly among those who might want to undertake some kind of loan through this programme? I know of a particular case in my riding where the student goes to university—I believe it's at Western, I can't recall the details of the case offhand—but he goes back to Thunder Bay for the summer, where he and his partner, in fact, have a painting business. For him to work through the Thunder Bay Chamber of Commerce from London, Ont., is somewhat

difficult until he gets back there, and he has to make his application and so on before university is out. Right there I would imagine a number of university students—particularly in business administration—who don't have a university in their home towns, or who don't take the course in their home towns, are inhibited from making applications.

Mr. Brown: Mr. Chairman, in essence, you might have a point, that it is difficult for them, but we asked them to apply through the participating chamber in the locale where they plan to operate. Now, if this is their home town and they are in London, Ont. and they plan their project in Thunder Bay, they can make the application, complete it—there are instructions on cash flow, etc.—and if it's a well written, well documented application, the local chamber, which normally has a committee of three or four members, can evaluate it. If the student says, "I can't make it back until mid-May because I have got exams and I can hit you on exam week," if they don't want to interview him, they will say, "We will approve it for how much he asks for," and send it in to us. The difficulty is there but it can be overcome.

Mr. Foulds: I understand that it can be overcome but it would appear that the primary thing that needs to be undertaken in this programme is as Mr. Deacon indicated. Given the framework—and I am not sure that I as a socialist agree with the framework—it needs encouragement.

Mr. Brown: If I may, Mr. Chairman, to go back to last year, I would say it didn't receive the publicity that I felt personally it could have. I've talked to both the Royal Bank representatives and the Ontario Chamber of Commerce representatives and they have agreed because of the success last year they are going to watch these projects like hawks and try for the local newspapers. In the smaller communities the local paper is looking for news. The local boy making good or girl making good I think will get more publicity this year. We have 100 per cent more approved this year than we had last year, which is a good sign.

Mr. Foulds: Is it possible to advertise? I guess you initially do it around December and January through the registrars of business schools of the various universities. When you are in the midst of your studies in the school year it may not occur to you and you may not be aware of the deadlines involved. If you did this through those offices, even using the chambers of commerce, the student would be alerted to the possibility.

Mr. Brown: Could I say, Mr. Chairman, that this year we got the advertisements out to the institutions, post-secondary and secondary, earlier than we did last year? We continually strive for an earlier release date but this is dependent on what funds we are going to have available next year. This year's estimates are not—looking at 1976-1977—which is a bit of a problem.

Mr. Foulds: That's all, Mr. Chairman. Thank you.

Mr. Chairman: Any further questions?

Mr. Laughren: I am just sitting here salivating until we get to the Queen Elizabeth II Ontario scholarships.

Mr. Chairman: Let's carry item 3 and let you proceed.

Item 3 agreed to.

Hon. Mr. Auld: Do you want my handkerchief?

Mr. Chairman: We are now at the Queen Elizabeth II Ontario scholarship fund. I don't think there is really a vote on it but you might inquire about it. It's a statutory item.

Mr. Laughren: I just wanted to know what you have done with this fund other than give it the wrong name.

Mr. Chairman: Really, Mrs. Laughren wouldn't agree with you, my friend, and you might be in great difficulties.

Mr. Laughren: Who wouldn't?

Mr. Chairman: Your wife.

Mr. Laughren: How did you know that? You are quite right.

Mr. Chairman: Because you told me.

Hon. Mr. Auld: The fund was established by the province in honour of Her Majesty's visit, as you will recall, in July, 1959.

Mr. Laughren: No, I didn't know. In honour of her visit?

Hon. Mr. Auld: It was set up to encourage students of outstanding ability to prepare for posts on university staffs. It is awarded to students pursuing graduate studies at the pre-doctoral level. The scholarships are worth \$5,000 each and are financed by the interest on a \$500,000 trust fund. The fund is administered by the board of trustees, which consists of the heads of each of the provincially assisted Ontario universities.

In 1975-1976 five scholarships will be available in the fields of the humanities, social sciences and mathematics. The scholarships are paid in quarterly instalments; the first, from Sept. 1, \$2,000; the second, Dec. 1, \$1,000; the third, March 1, \$1,000; the fourth, May 1, \$1,000. They are tenable at Ontario universities only and preferences is given to candidates who are resident in Ontario.

Mr. Laughren: For pre-doctoral studies?

Hon. Mr. Auld: Correct.

Mr. Laughren: I have someone who wants to do a study on alternatives to the monarchy. Do you think they would get that?

Hon. Mr. Auld: On what kind of a hernia?

Mr. Laughren: Alternatives to the monarchy. Do you think that would receive favourable consideration?

Mr. Chairman: There is a fellow in England who does one of those every once in a while.

Hon. Mr. Auld: I think you could probably do that a lot more cheaply by reading the Times.

Mr. Laughren: That is really all I wanted to know about that.

Vote 2504 agreed to.

Mr. Chairman: This completes the estimates of the Ministry of Colleges and Universities. I would like to report to the members of the committee that tomorrow after question period the estimates of the Ministry of Transportation and Communications will be dealt with in committee on resources development.

Mr. Laughren: When was that decision made? Was it announced in the House?

Mr. Chairman: No. I thought I would tell you so you would know.

Mr. Laughren: By the way, Mr. Chairman, I never did register my displeasure at the calling of this ministry's estimates on such short notice.

Mr. Chairman: I did.

Mr. Laughren: It was grossly unfair and uncalled for.

Mr. Chairman: I was somewhat displeased myself.

Hon. Mr. Auld: I was the first to register mine.

Mr. Laughren: Who is running this show around here?

The committee adjourned at 4.55 o'clock, p.m.

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ESTIMATES, MINISTRY OF TRANSPORTATION AND COMMUNICATIONS

Standing Resources Development Committee

Chairman: Mr. R. K. McNeil

OFFICIAL REPORT — DAILY EDITION

Fifth Session of the Twenty-Ninth Legislature

Thursday, May 29, 1975

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

THE QUEEN'S PRINTER
PARLIAMENT BUILDINGS, TORONTO
1975



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LEGISLATIVE ASSEMBLY OF ONTARIO

THURSDAY, MAY 29, 1975

The committee met at 3:40 o'clock, p.m.

ESTIMATES, MINISTRY OF TRANSPORTATION AND COMMUNICATIONS

Mr. Chairman: I think we will get started.

We have two substitutes: Mr. Ruston for Mr. Sargent and Mr. Germa for Mr. Stokes. In case we have a vote, those two gentlemen will be able to vote.

Before we start, Hansard has asked me if we would use the mikes so they will be able to pick us up.

At this time we will ask the minister to introduce the staff he has here and perhaps give his statement if he has one.

Hon. J. R. Rhodes (Minister of Transportation and Communications): Thank you, Mr. Chairman, and members of the committee. I will start with a very brief statement, just to comment on the structure of my ministry's programme, before proceeding with the debate on this year's estimates. The reason is quite simple: MTC programmes are structured quite differently from those you have reviewed in the past.

A complete restructuring of the ministry's programmes took place last year, aimed at improving the way in which the ministry's programmes are portrayed before this committee as well as providing the public generally with a better understanding of such programmes. This restructuring has resulted in the establishment of nine ministry programmes, six of an operational nature and three which provide general functions.

Operational programmes comprise a provincial roads programme; a municipal roads programme; a provincial transit programme consisting mainly of support to TATO; an air programme including operation of nor-Ontair and the provision for airstrips; a municipal transit programme which includes operating and capital subsidies to municipal transit systems, plus the communications programme.

The three support programmes which have an overall impact on all ministry activities consist of an administration programme; a plan-

ning, research and development programme, and a safety and regulation programme.

To aid members of the committee in identifying subject areas for discussion under the new structure, I felt some assistance should be given to committee members in the form of an index. Copies of the index have been distributed and more are available if they are required.

Before continuing with the item-by-item debate and for the information of committee members, would you please note that Management Board granted MTC an additional \$14.5 million in recognition of the inflationary factors in our 1974-1975 capital construction programme. The expenditures shown against this item have been adjusted in your copies.

I would like to ask that any questions that you may wish to write down and hand in to us will make it easier to answer during these estimates. By that I mean specific questions. If you have a specific project or a specific item that, say, pertains to your particular riding, if you could write it out for us and leave it, this would give us a better opportunity to get the complete information for you, and respond either later on in the day or the next day after we have had a chance to get the information you want, if by chance we wouldn't have those specifics with us.

I'll take a moment to introduce the deputy minister, Mr. Harold Gilbert, and I'll ask Mr. Gilbert to introduce the other members of the staff who are here for today.

Mr. H. F. Gilbert (Deputy Minister): I think that you all know most of them. Mr. Hugh Adcock, assistant deputy minister, operations research; Mr. Bill Bidell, assistant deputy minister of planning and design—

Mr. P. G. Givens (York-Forest Hill): You are not introducing them. I don't see who they are.

Hon. Mr. Rhodes: Yes, will they please stand?

Mr. Gilbert: Hugh Adcock, assistant deputy minister, operations and research; Bill Bidell, assistant deputy minister, planning and design; Lorne Eadie, assistant deputy minister, administration; Bob Humphries, I'm sure you all know, drivers and vehicles; Al Leach,

executive director in the right-of-way division, and Bill Robbins, executive director, finance and data processing.

Mr. Chairman: Fine. Gentlemen and ladies, we will start in with vote 2301, item 1. Does anyone have any questions?

Mr. Givens: Mr. Chairman, if I may start, I would like if possible, before the afternoon is over for the minister or one of the members of his staff to explain something to me if he would. I was stunned two or three days ago in watching television to hear on the news of the decision that was made by the task force which was initiated by the Premier (Mr. Davis) to sort of referee—the idiom is mine—the controversy that broke out between the city of Toronto and the Metro Centre Development Co. Ltd., I think it was called, having to do with the lands down at the Union Station.

You will remember the controversy that developed about saving Union Station. It was to be a joint effort with regard to saving Union Station and the facilities around there for a transportation terminal and also for a redevelopment scheme. The matter couldn't be resolved—I'm just painting, in broad strokes, some of the background—and the Premier stepped in and convened this task force with representatives from various governments. Of course, the province was involved because your ministry is involved so deeply in transportation. You have committed yourself to 75 per cent of the capital costs of construction and of other things.

Lo and behold, two or three days ago we got this result: The development scheme of Metro Centre was dead, never to be resurrected. From now on the scheme down there is largely this: Union Station will be left alone, that it will be revived and enlarged. Substantially, the 183 acres down there, Union Station, all the other facilities, all the trackage and everything down there, the shops and so on, would be used primarily, in principle, for a transportation system. On the whole this means it will be a provincial facility, because when you consider how much money you're going to be pouring in—assuming you are still there next year, or whatever government succeeds, it doesn't really matter—it will be a provincial facility.

Mr. Minister, I consider this a tragedy. At the risk of being considered out of order I consider the two things inextricably interwoven; namely, the transportation aspect and the developmental aspect of the facility. You can't separate the two, they are tied up like a Gordian knot. I would like to know what the

dictates the overriding transportation factors were which were so damned important when they abdicated and aborted the developmental aspect.

In Metro Toronto we are absolutely dying for rental residential accommodation. Here is all this acreage, lying down there, where you could have literally thousands of rental accommodation developments without dislocating or expropriating anyone, and without kicking anyone out. Every time you want to build something in this particular area, you have to expropriate someone or kick someone out, or, if it is a low-rental housing scheme, put it someplace else: "Don't put it in my backyard, put it three miles away, put it in somebody else's constituency." You know all that, but it is part and parcel of the same thing.

I have been hoping that the two could go together; the transportation facility and places for people to live. Arising out of this is all the pressure we have been receiving for rent control and all the implications to be derived from that. Those of us who have been sitting on the private bills committee know. We've been sitting now for weeks with respect to the city of Toronto's bill on the business of rent control. If we have rent control in one city, we'll probably have to have rent control all over the province, with all the attendant implications.

I think it is absolutely shocking that this decision was made in this way and everybody swallowed it. Nobody said a thing. There hasn't been a question in the House. I wanted to ask a question, but the Premier wasn't in today. At the time when I got up to ask a question of the Minister of Housing (Mr. Irvine), he had already departed. I don't know whether he could have answered because he probably wasn't clued in on the thing. But I am sure that you or some members of your staff must have been.

What was there of such overriding importance that had to make this thing exclusively a transportation facility at the Union Station, and the other had to be abandoned and aborted?

The mayor of Toronto has said that after you guys get through with it—when I say "you guys" I mean in the vernacular, transportation people—there will be room for review and all that sort of thing. But within the context of the remarks at the press conference held after the announcement was made, when the representatives of the four governments spoke I certainly got the impression—and I am looking at some of my colleagues—that there is going to be very little elbow room or flexibility, by the time you transportation people get through, for any kind of development to take place

down there along the lines of developing thousands of units of rental accommodation. This was being talked about at the time this scheme was being incubated. I don't care what category that rental accommodation would have been in, whether high-priced, middle-class or low-rental accommodation, because simply by increasing the stock of rental accommodation we would have helped the situation in Metropolitan Toronto and in its environs to lighten the load and to increase a supply which is so direly needed.

Hell, we talk about the Hydro block out here. We've talked about Scarborough. We've talked about everything else. I know you people from outside Toronto probably don't care about this, but this is where the situation is most inflamed. As I say, if we have rent controls in this particular area, you are going to have to worry about it in your particular areas too. So these things have implications for you.

So, Mr. Minister, I wish you would take some time to explain to me—and maybe you'd want to take the time right now—what took place that without any kind of explanation, without any kind of notice, without any kind of warning, without any kind of consultation with anybody except with the immediate members of the particular representations from the various governments—and I don't even know who that included. Were you personally involved, Mr. Minister, members of your staff?

Hon. Mr. Rhodes: Yes.

Mr. Givens: Okay, so on a professional staff level this was done. And suddenly there is this big announcement on television under klieg lights that the Metro Centre project is dead. I tell you I was absolutely shocked. If I had been hit over the head with a sledgehammer. I couldn't have been more surprised.

I don't think I'm exaggerating, and I don't think I'm being overly dramatic, when I say how surprising this is and how shocking this is. It took years to think this up—it took years of debate, it took years of consultation. It cost the developers about \$5 million to incubate this thing. Collectively, when you consider the city and all the people that were involved in this, it probably cost close to \$10 million to discuss this thing, to get it out of the drafting board stage and bring it to the point where it could be discussed properly. And here, all of a sudden, overnight, we get this decision: Metro Centre is dead.

I know I'm repeating myself, but I think this is very, very vital for us—I'd like to know what were the overriding and compelling considerations that forced this task force,

which was initiated and brought together by the Premier, to make this irrevocable decision. This is apparently an irrevocable decision which cannot be gone back on—it cannot be reversed—and to which there is no flexibility. I'd like to know what the answer to that is.

Mr. Chairman: Perhaps before the minister decides to answer, Mr. Givens, I wish that everybody, ladies and men alike, would stay to the vote. Now I realize you are way off the vote here—

Mr. J. Riddell (Huron): He is the lead-off speaker.

Mr. Givens: Well, Mr. Chairman—

Mr. Chairman: Let's try and get along with the vote and take each one as we come to it.

Mr. Riddell: He is the lead-off speaker, Mr. Chairman.

Mr. Givens: Mr. Chairman—

Mrs. M. Campbell (St. George): He is the lead-off speaker for the opposition. He is entitled to know.

Mr. W. Ferrier (Cochrane South): Now he's given his speech let our lead-off speaker give his speech before we get into the votes.

Mr. Givens: I am not—well I'm leading off; I can continue and you will—

Hon. Mr. Rhodes: Mr. Chairman, I would like to respond to the comments of the hon. member, because I think there are some points that should be made in response to what he has said.

First of all I think, Mr. Givens, you are absolutely correct. I guess I'm not supposed to call him Mr. Givens. Can I?

Mr. P. Taylor (Carleton East): In committee you can.

Hon. Mr. Rhodes: Can I? That's been established has it? Anyway, Phil—

Mr. D. C. MacDonald (York South): No Phil.

Mrs. Campbell: Oh no.

Hon. Mr. Rhodes: The truth of the matter is I know you are well aware of the long, long studies that were carried out as it related to that particular portion of the waterfront in Toronto. In fact the land-use studies alone had gone on for seven years. And you are absolutely correct when you say that tremendous sums of money had been spent.

At the outset, as I understand it, when the Metro Centre project was under way things

had moved along fairly well, and it was that report that really brought this whole thing eventually to the position that we are in now. When the Metro Centre report was finally presented I think you know that the city of Toronto was very upset over the proposal that Union Station—or the great hall—would be destroyed and taken away.

Mr. Givens: Yes.

Hon. Mr. Rhodes: The great public outcry started at that time and it was quite controversial.

As a result of that everything looked like it was bogging down. Prices were very high, and there was some detailed study done of the report by various agencies, my ministry being one. Our interest at that time as a ministry was in the transportation facility that we felt should be part of that particular area—and I emphasized “part of”. Our position was that we felt there should be a transportation centre in that total complex. We did not concern ourselves at that time, from our ministry’s point of view as to what was occurring in the way of land use and what other development was there. We recognized that in the Metro Centre report there would be a substantial amount of housing—at least it was proposed—and that there would be a degree of commercial development, which found some disfavour, as you know, with the Toronto City Council. It is part of the city, it is under their official plan, and the lands are owned primarily by the two railroads.

As a result of the controversy that developed, a four-level meeting was called. The Premier called for the meeting because we were very concerned that we were not going to be able to proceed with what we feel is a much-needed transportation facility. With the expanded GO facilities along the Lakeshore and other runs that will be coming onstream, we simply had to have more capability to handle these people and to integrate that system from the Union Station area into the present subway and bus and streetcar systems in the downtown area.

The four-level meeting was called. It was attended by representatives of the Ministry of Transport. In fact, the hon. Jean Marchand was there, the hon. Mr. Macdonald was at the first meeting, and the hon. Mr. Danson, representing the federal government, with some support staff. The Ontario government was represented by the Premier, who chaired the meeting, along with the Minister of Housing and myself, with other support staff. Metropolitan Toronto was represented by the chairman and the city of Toronto by the mayor.

At the initial meeting the railroads were represented, both the rail operation and their land operations, along with representatives of Metro Centre. Quite a lengthy discussion was held. From that it was announced publicly that a task force would be set up to study the possibility of developing a transportation centre in that area, and also other implications as to what could be developed along that waterfront, assuming that what was proposed by Metro Centre was not acceptable.

That task force was set up. The chairman was Cameron McNab, the chairman of TATO, with representatives appointed by the various levels of government and the railroads all sitting in on those meetings. They were given a time frame to work in, couldn’t complete it in that time frame, and continued their studies. They went on, I think, for three to four months.

That report was finally completed. They dealt primarily with the transportation aspects of the area. That report was completed and made public. The press had copies of it.

Then the second meeting was convened. That meeting was held earlier this week. Again in attendance were Mr. Marchand, Mr. Danson and Mr. Drury, from the federal government; the Minister of Housing, myself and the Premier, from the Ontario government; the railroads, Metro Toronto and the mayor. All of the same people were again represented.

The general report, which I think is available to you, indicated that the transportation facility there could be developed to handle the necessary facilities; to handle the GO system and also to integrate in with the other systems, such as the subway, without having to tear down Union Station. It was also determined at that time that—and again strictly from a transportation standpoint—existing trackage was to be added to handle the present and the foreseeable future of expansion of GO facilities, with one major concern. That was the work that would have to be done at the Bathurst St. interchange. If we are going to add any extra trains there. That was going to create a problem. There was also the possibility of some major work having to be done at Cherry St.

The concern of the city of Toronto was, as you have expressed here, the land use. At that meeting there was a substantial discussion—certainly a discussion—and input from the federal government, in particular from Mr. Danson, the Minister of State for Urban Affairs. He wanted, as did everyone present, to proceed with the proposal as it related to transportation facilities, but at the same time to study the proposed land uses and what could

be done with the land in the area for various types of development. I refer, in particular, to the area south of the present freight track which runs, as you well know, parallel to the Gardiner.

Two committees were established as a result. One was asked to go back, study, and return with details on costs to put in the necessary transportation improvements. A ball park figure of approximately \$60 million was thrown out. This included the renovations to the present Union Station and trackage area, new platforms and other changes required. The work to be done on the Bathurst St. interchange was one part of it. But the \$60 million was a ball park figure. It was felt by all present that there should be more detail.

A committee was struck to go back and study costs in detail for a future meeting. At that time the federal government, the provincial government and the two railroads will determine cost sharing in providing those facilities for transportation purposes.

At the same time another committee was set up, to be chaired by Mayor Crombie, to study the land-use possibilities. This committee will be made up of representatives of the city of Toronto, Metropolitan Toronto, the two railroads, and their land divisions. They will be discussing land use in some detail. There will be representatives as well from the federal Ministry of Urban Affairs and the provincial Minister of Housing.

These two reports are to come back concurrently. From Transportation's and the province's point of view, the main concern was adequate transportation facilities. The Minister of Housing is concerned about the availability of land, the land-use programme and what sorts and amounts of housing can go in the area. Both plans are coming along together.

I should correct you on an earlier assumption you made, in that the basic subsidy programme, as it relates to transit, will not apply in this particular case. We're talking now about urban transit. This is primarily commuter rail which will have a whole different funding approach. We intend to share these costs—and it was agreed that there would be shared costs—between the federal and provincial government, with the railroads' involvement. The railroads' involvement primarily being the benefits they will experience from any new track alignments, new signalization, and what have you, to handle the trains. Both the railroads and the city of Toronto feel the development of that land was further down the trail than the development of the transportation facilities. We feel a great urgency on this transportation facility at this stage.

I don't think we can say there was no public pronouncement of what was going on. We announced at the very beginning that we were going to form this committee. There was a public statement made, a joint communique if you will, supported by all four levels of government represented, and the railroads, as to the direction we were going with the formation of the task force.

Secondly, all representatives did in fact make statements following that meeting giving their support to the direction we were going. The Metro Centre people, I think, have publicly said they felt their project was slowing down as a result of concerns expressed by the city, and that they themselves might have been priced out of the market by the original proposal.

To say no housing is going to be involved is, I think, incorrect. I think more information should perhaps be made available by the people who are primarily interested in the housing aspects of it.

The next information, I suppose, will be available when we come back in with the cost-sharing as it relates to the transportation facilities and what will be developed there. But as for the Metro Centre proposal as it originally was presented being dead, I think that is correct. I think it is dead. I think all of the parties who were involved with the Metro Centre proposal originally, even the Metro Centre people themselves, have agreed that this just isn't going to work. And one of the main reasons was a very real desire on the part of many people in Toronto to retain the Union Station, and in particular, the great hall.

Now, I probably haven't answered all of your concerns; perhaps the deputy has something he would like to add to that.

Mr. Gilbert: No, I don't think so. I think you have covered everything.

Mr. Givens: Can I just ask you one more question? It is really not your concern, but was there any concern registered on the part of the housing and developmental people about the fact that here was all of this unencumbered land—people didn't have to be uprooted or didn't have to be dislocated—and this was going to be lost to them for developmental purposes? There was no cleavage of that kind?

Hon. Mr. Rhodes: I can't say that that particular concern was expressed as you have just expressed it. However, I do know that those persons who have a responsibility and an interest in the land use—mainly Metro, the city, Mr. Danson on behalf of the federal government, and Mr. Irvine on behalf of the

provincial government, and the two railroads who own the land—did express their concerns on how the other land would be used.

As you probably know, originally there were two or three concepts of what was going to happen. One was to move all of the tracks that were there south. Then that got shot down, as I recall it, by a proposal by somebody in the city of Toronto that they should be put below ground rather than moved, which was going to cost a phenomenal sum of money.

What we have got back to, in basic dollars and cents, is to provide the transportation facility we are talking about right at the Union Station location, and the estimated cost of the improvements that would be needed there—leaving out the improvements required at Bathurst St. and Cherry St.—is \$20 million. That is the estimated cost to fix that up to provide adequate transportation facilities—for the GO trains, and what have you.

The other proposal was pretty close to \$200 million; that was the ball park figure being used. And I think this certainly frightened off a few people at the beginning. Some of that money would have been recovered as a result of the land use; it is still felt that some of the money will be recovered from the total cost of the project by whatever is developed on the land that will be there and available.

You know, the CN Tower is causing us a problem—the very location of it. Yet the CN Tower when it was first proposed was part of that overall complex; it was going to be all right.

Mr. Givens: It was supposed to be part of the whole thing.

Hon. Mr. Rhodes: That's right.

Mr. Givens: I mean, left alone there it looks like a burp in the wind. An elongated pimple.

Hon. Mr. Rhodes: I think in fairness to all of the parties involved the decision not to proceed with Metro Centre was primarily that of the city of Toronto which did not like the overall proposal and was very unhappy with it, and it voiced that displeasure. In an effort to speed up the transportation needs we went to the task force.

Mr. Givens: Well, Mr. Minister, thank you for your explanation, such as it is.

Hon. Mr. Rhodes: The explanation I have given you is exactly what has happened.

Mr. Givens: It sounds sequential and as you witnessed it. I am not questioning it, don't misunderstand me. I feel very unhappy about it and very unsatisfied. But it is not your responsibility, I mean, it's—

Mr. MacDonald: It is a monument to our confused and abortive planning in transportation and related matters.

Hon. Mr. Rhodes: No, I would say it is a monument to many people who happened to find themselves in positions that the city of Toronto, and perhaps the whole province, would be better off if they didn't hold those positions.

Mr. F. Laughren (Nickel Belt): Name one.

Hon. Mr. Rhodes: I can name you at least six—

Mr. Givens: Well, you said it. Six.

Hon. Mr. Rhodes: —who happen to be sitting on city council. I know them well.

Mr. Givens: Well, you said it. But I tell you I do a lot of sailing in the bay—when I saw that tower going up, the CN Tower—

Mr. E. W. Martel (Sudbury East): Looks like a time bomb.

Mr. Givens: —I reminded myself of the story of the tower of Babel in the Bible. I was thinking that someday that tower won't be completed, because you know what happened in the story of the tower of Babel—fights broke out, and the thing never was completed. It is almost analogous to the story of what happened in the Bible. The results of the tower of Babel is what happened right here, what you have just described today. The whole thing is just a disaster, the way that thing blew up.

Mr. MacDonald: I don't think it's analogous.

Mr. Givens: I think it is just an abortion of the worst kind, and a disaster. I think we are going to suffer for it for years to come. I'll be very surprised if these housing developments they are going to announce in the future are going to be nearly as feasible or nearly as compatible with what should have been done with those lands and which was initially envisaged—with the tower and the whole conceptual view of that thing. But that's not really the responsibility you or—

Hon. Mr. Rhodes: You know, I would make a very facetious recommendation, Mr. Givens, and that is because of your great knowledge, and your great concern, and your great interest,

why don't you take a year off and run for mayor next year?

Mr. Givens: Yes.

Mr. C. E. McIlveen (Oshawa): You must have been mayor when it started.

Mr. Givens: I know that you and a few others are trying to help me—out.

Mr. Chairman, just a few more comments. Thanks again—

Mr. McIlveen: Does Crombie know you feel that way?

Mr. Chairman: Order, please.

Mr. Givens: It seems to me that you are substantially interested in the development of the magnetic levitation system, and the research for its development, and you are continuing pell-mell with that. And we in our party disagree with that.

On April 14, 1975, you as minister announced you were going to spend another \$6.1 million to develop this system. Of course, you didn't satisfy me at that time that you were really going to develop the system because—and I haven't got the statement you made right here—you are going to wind up with a prototype, after spending that kind of money—hopefully. And after that you are going to spin the prototype along a certain area and that would be of an income-producing nature—again, hopefully and probably.

The money which has been so far assigned and spent to implement the system is limited money for conventional systems that are known to work and you could spend that money for conventional systems that are known to work. And we're not doing that to the extent we should be.

This system has always been highly suspect to us; it has been right from the beginning. And it is obviously highly suspect with the people in the government who initiated this in Germany. And it will be very expensive in terms of electrical energy, using anywhere from four to 10 times the amount of energy used by a subway, streetcar or other rail vehicle.

The German government cancelled this support and opted in favour of mag-lev for inter-city transportation rather than intracity transportation, because they indicated they would have to invest more than \$14 million in further proposed Krauss-Maffei research over the next two years, and they decided to back out of the deal.

I suggest with great respect to you and the

members of your staff and all the engineers you have working on this, that if the German republic, with their expertise and their technology and their economic power—and they are a world power; we flatter ourselves in Canada by saying that we are a middle power and Ontario isn't even a middle power. We are a wealthy province, we are a great province, but we are not, by the standards of measurement of nations, anything comparable in technology or wealth or economic strength or scientific acumen and expertise. We are nowhere comparable to the West Germans, and here we are trying to measure ourselves up with them. If they didn't feel they could do it, Mr. Minister, I think it is sheer bravado on our part to think we can.

We have told you all along that had we started this—which we wouldn't have done in the first place because we suspected this all along—we would have abandoned it. We still think at this late date that you should abandon it because even for the ancillary technology you think you are going to gain out of it, it isn't going to be worth the money you are going to spend. We think the government should place much greater emphasis on conventional transit services such as light rapid transit, streetcars, buses and rails.

If you have enough money, of course, you can make anything work. But there is a point in time, there is a point on the scale where you have to ask yourself would it be economical enough that you would want to operate it or could afford to build this thing anywhere. We have the example of the BART system in San Francisco. They have figured out that with the kind of money it's cost them to operate the BART system and with all the unfortunate things that have happened they could have bought a Cadillac Fleetwood for everybody who has been riding on that transportation system. I hope the day doesn't come in the future that we can figure that out for our mag-lev system in Ontario—if you ever get to introduce it here in Ontario.

The same experience has been suffered in Morgantown, Pennsylvania.

Dial-a-bus, Mr. Minister, I don't know what you have done there. You have pretty well given up on that. You have got one place where you are still running it, in Scarborough, and the expense has become prohibitive. You have never tried the jitney system anywhere here.

You have told me in answer to queries in the Legislature a couple of times that by and by you were going to reply to Metro's application for paving the Davis ditch. You never have told us the answer; you have never announced

it and I don't know what you are waiting for. I can only suspect you are waiting for that legal action which was instituted by the city with respect to whether or not it fits in with the official plan to subside before you announce what you are going to do about paving the ditch.

Nothing has been done about that and nothing has been done about the extension of Highway 400 south. That northwest quadrant of Metro Toronto has become an impassable and impossible situation. Since the abandonment of the Spadina Expressway on June 3, 1968, no alternative has come forward and the problems of congestion have become worse and worse in the northwest quadrant. Some day, whether you like it or not, this government or some other government is going to have to bring in a solution in the northwest quadrant dealing strictly with vehicles.

You have indicated no further encouragement with respect to any further subways; nothing has been said further about a Queen St. subway or along Eglinton or along anywhere else. On the critical path survey with respect to the Spadina subway, I trust that is proceeding on schedule and you expect it'll be finished some time in 1977. It'll be very surprising if it finishes on schedule because nothing in this town ever finishes on schedule. At least that is being proceeded with.

It is running through an area where the density of population is about 35 people per acre and I think the subway will probably go broke in its first year of operation. It simply means that as far as land use is concerned there are going to be many applications for rezoning down through Cedarvale and North York township and Forest Hill. You are committed to this course and nothing we are going to say is going to dissuade you from it.

There is one other appeal I'd like to make to you and that is the question of the Toronto Transit Commission fares. Initially, when the Spadina Expressway was abandoned your government felt pangs of conscience and decided to subsidize the transit fare. At that time, I suppose, it was for political purposes. It subsidized the fare and encouraged people to use public transit but Metro Toronto now has the distinction of having the highest transit fares in Canada—three for \$1—since the provincial government has lifted the fare freeze. At the last fare increase the government indicated it would do nothing about subsidizing the new fare increase.

It is disturbing that fares have been allowed to rise to this level especially when the need to control pollution and conserve energy is also at issue. There is already subsidization

of almost every form of transportation used but the fare was permitted to go up to the highest in the land.

A fare increase invariably brings about a decrease in the use of public transit. I don't know what the passenger fall-off has been but there are bound to be deleterious effects from this fare increase. An unfairly large burden is thrown upon the lower and middle income groups who have no choice but to use public transit. And a fare policy which encourages a person to drive to work and discourages him from taking public transit contributes to pollution and speeds energy depletion.

Another factor: You've had the city of Toronto here before the private members' bills committee, asking us to give them the right to jack up parking fees in the downtown area, saying that the charge for parking a car downtown should be at the rate of about \$8.50 a day. How are ordinary people going to be able to go to their office jobs or to their ordinary jobs downtown?

This would happen, and we must realize that public transit is the way of the future. We will have to subsidize these fares, and I suggest, with respect, that you should give further consideration to this matter of subsidizing the fares of the TTC.

On the matter of seatbelts and a 55 miles per hour speed limit, the government backed away from both of these things. Both these measures have proven effective in reducing traffic fatalities when implemented in jurisdictions outside of Ontario, yet the government has not acted on these questions. The government has abandoned the idea of seatbelts in favour of an ad campaign to convince people to use them. The same thing with liquor; we sell millions of dollars worth of booze and then we try to convince people not to drink it.

The government's own statistics indicate that motor vehicle accidents cost the health system of this province \$1 million a day. In Australia, where the mandatory use of seatbelts was introduced, the highway death toll was reduced by 20 per cent the first year. The result of the September, 1973, reduction of the speed limit in the US from 70 mph to 55 mph was a 20 per cent reduction in traffic deaths in the next 12 months.

I think it would be well worth while to make the use of seatbelts mandatory, and in the matter of the speed reduction to reduce the speed limit to 55 mph, to see whether we can emulate the other jurisdictions that have shown a marked improvement in these two particular categories.

One more thing, in conclusion, with respect to pup trailers. Pup trailers are a matter of

concern since they've been involved in a number of accidents in the past year or two. So often we've been let off with merely a warning as to the safety of these trailers. How much longer will our luck hold out before this government takes serious action to protect us from these pup trailer accidents?

The ministry has been involved, this past year, in an inspection programme on our highways and in developing computer model programmes for pup trailers. I understand that the inspection programme covered all trucks and not merely pup trailers, and that your inspectors have found a high percentage of trucks that are mechanically unfit. I would like to know whether accidents have decreased and how they've decreased—if in fact they have decreased, whether accidents have decreased for pup trailers since this programme was initiated, and how many convictions were registered and the number of pup trailers found to be mechanically unfit.

These, Mr. Chairman, are the general remarks which I wanted to lead off with. We will reserve the right to question the various specific items which will come up from time to time as we go through the various votes. Thank you, Mr. Chairman.

Mr. Chairman: I wonder if we should have the minister answer Mr. Givens' questions, or perhaps Mr. Germa's questions may be similar. Perhaps we should let Mr. Germa go on and then the minister will answer both at the same time. We may be duplicating some of the minister's answers here. Is that agreeable?

Mr. M. C. Germa (Sudbury): Thank you, Mr. Chairman and Mr. Minister. This routine that we go through yearly is expected of us, but I'm a little dismayed that even though we spend hours and hours and hours of time criticizing the minister and trying to point to new directions that he should probably go, in my experience we haven't changed one penny of expenditures as far as this ministry is concerned.

I'm a little reluctant and inhibited at going ahead when I don't see any members of our citizens' committee that the Premier saw fit to appoint the other day. I thought they would be sitting in here making their suggestions and the minister would automatically listen to them more than he listens to us, because we are so partisan that anything we might say is obviously political, and this government has steadfastly refused to listen to the opposition, even though this is precisely the job that we are sent here to do. The government, I think, is remiss in not listening and in interpreting

everything we say as politically partisan comments.

I might say that there is no one more partisan in the House than the present Premier of the province. I think if this citizens' committee is going to have input into the estimates of this government it should probably be here and taking over from the opposition members.

Mr. Laughren: The minister is pretty partisan too, isn't he?

Mr. Germa: He has demonstrated partisanship on occasion.

Hon. Mr. Rhodes: I will just say that if the representatives of the New Democratic Party here want to tell me that they're not partisan then I'll buy that.

Mr. McIlveen: Especially the speaker.

An hon. member: I think we'll all agree.

Mr. Laughren: This citizens' committee is a Tory committee, isn't it?

Hon. Mr. Rhodes: I have a feeling that this whole system is based on partisan politics. If you don't like the system, you know the easy way out.

Mr. Ferrier: It isn't that we don't like the system, but you're trying to circumvent it.

Mr. Germa: I would suggest that if Betty Kennedy or Maxwell Henderson—

Mr. Chairman: I would suggest that it will be awfully hard for Hansard to pick this up. Could we quieten down, please?

Mr. Germa: I would suggest that if Betty Kennedy and Maxwell Henderson want to have input into public expenditures then maybe they should run for office and take their place at this table. We could keep the system going.

Mr. P. J. Yakabuski (Renfrew South): It would be a real scoop to have people like that.

Mr. Laughren: We could have by-elections too.

Mr. Germa: The minister, in his opening comments, made reference to the restructuring of the method in which the estimates are presented to us. We did make criticisms of the estimates book the last time we went through this routine and, lo and behold, the situation has not got better. It has, in fact, got worse.

It seems to me that the philosophy of the minister is that if you present a moving target then it's more difficult for a person to hit the target. It's almost impossible, right now, when

trying to do a comparative study between what happened last year and what is projected for this year, to make a comparative analysis or an analysis that would have any meaning to it.

I have not seen that the ministry has done very much since we last sat here. I see that you must have hired a new writer in order to present your estimates, and I would just like to read one quotation from the estimates booklet. I don't know who this gentleman is but he must be a very highly paid person. It's the programme description on page R104. I'll read this year's programme description. It's a beautiful thing. It doesn't sound like it comes from any department responsible for things as mundane as building highways and running railways and things like that. I'll read it now:

To implement the transportation plan for the provincial road network by constructing and maintaining these systems to maximize returns from investments in the physical plant while being sensitive to the environmental and aesthetic sensibilities of the people of the province.

Mr. Yakabuski: All true.

Mr. Germa: That's a beautiful statement, Mr. Minister.

Mr. R. F. Ruston (Essex-Kent): It almost makes you weep.

Mr. Germa: It just grabs me right where it counts, Mr. Minister. I would like to meet this gentleman, and maybe we could use him as a campaign writer or something.

Hon. Mr. Rhodes: It was put in the simplest terms so it could be understood.

Mr. Martel: And even that is beyond you.

Mr. Germa: It's a beautiful statement of purpose and I will say the estimates book has been upgraded by that degree, but as far as the presentation is concerned, it's worse this year than it was last year. It's just impossible to identify expenditures, and I suspect that it is not accidental. I think it is a deliberate attempt by the minister to confuse those people who are charged with the responsibility of trying to make heads or tails out of the expenditures.

I don't see that the government has changed its attitude. I have always looked on transportation as more than a means of getting from point A to point B. I've considered transportation in all its modes as a planning tool that should be used in close conjunction with land use development. Yet this government has not seen fit to do anything to break up populations by supplying transportation, or disperse the

population for the benefit of the people, for the preservation of farmlands, for the maximization of our resource development, southern Ontario vis-à-vis northern Ontario.

We still haven't got a decent corridor to disperse the population from the metropolitan areas like Toronto to those areas of the province where I think population should be directed, where development should be taking place. And the lack of transportation has inhibited greatly the dispersal of our population, I don't see any long-range plans in any of the government's programmes for the past four years to change their attitude of meeting a crisis. They let the crisis develop and then they try to put a Band-Aid on the crisis. They try to solve the problem after it has developed. Some countries have taken the bull by the horns and have put in transit systems where long-range thinking went into the programme.

Perhaps it happens every once in a while, by accident maybe, but it is no credit to this government. I can think of one specific situation.

The bridge over the Don Valley was built, I think, about 30 years ago, and some long-range planner decided that there would be a subway route in that area at some point in time. He designed the bridge to accommodate a subway under the road bed so that was accomplished with very little expense when the subway went through. We didn't have to tear down and build a new bridge. It's not a big thing, but this is what I'm talking about. Our planners should be thinking ahead and not just working to solve day-to-day problems. I don't see any long range planning whatsoever in the expenditures of this government.

This love-hate relationship we've had with the automobile, I think, is responsible for the predicament we find ourselves in. This noose of expressways we are building around our metropolitan areas will later come back to haunt us, and I do not see that we are doing anything in supplying public transit in a fashion which will alleviate this. We are still, as far as I can see, gung-ho on the automobile as the prime method of transporting people.

Expressways have severe effects on an environment. In some relationships, they can have good results. A city street which is not used as a feeder street to an expressway gets really quiet and more or less turns into a country lane. But a street which is used as a feeder into an expressway system then becomes almost an impossibility when the automobiles start dumping off the expressway into a residential area. So the government has the power to wreck a street or protect a street by determining which street they are going to dump the traffic into. Without public transit the

movement of people, goods and services would ultimately come to a halt if we relied on expressways.

This attitude towards expressways has been present for quite some time. It's going to be difficult to curtail. Any government that is going to put things into perspective has got to have a lot of backbone and some long-range thinking. They are going to have to do unpopular things as was witnessed by Mr. Givens when he was making his case for what he thinks is going to solve the transit systems in Metropolitan Toronto.

I think the one-man, one-car superhighway concept eventually will break the province, if not the whole country. It's the most complex and expensive system yet devised by man.

European countries, I think, have seen the problem. Perhaps we could learn a lesson from very many of the large, older European cities. I have been in some of them and I have witnessed some of their public transit systems. The Paris Métro, for instance, which has been in existence for many years, is presently carrying 60 per cent of the city's population. That is about double what the public transit system in Metropolitan Toronto is carrying. When they can get 60 per cent of the population moved by public transit, that indicates to me that they are moving in the right direction. The London Underground is presently carrying about 31 per cent of the population.

The United States, which is where a lot of our attitude comes from because of our proximity, has inhibited us in developing our own modes. Usually what happens here has happened in the United States at an interval of perhaps 10 or 20 years prior to its coming here. In this context the Chicago figure for movement of population is only 5.4 per cent of the population on the Chicago public transit system as opposed to 60 per cent with the Paris Métro system. North America traditionally is behind the European countries as far as that is concerned, I believe.

There are limiting factors to the developing of public transit. It's difficult to get the proper buses or to buy a streetcar these days—so much so that there is the cannibalizing of old equipment and the manufacturing of parts in the shop. I know the TTC does a lot of its own work in the shop. In order to get themselves an electric bus they have to buy a diesel bus and electrify the thing. Imagine—they buy a bus and then tear it all apart to electrify it. I think the government of Ontario has not really taken seriously the development of the various modes.

There has been a change in the United States

which I hope will overflow into Canada. That is, legislation was passed in 1973 that released the highway trust fund so that some of these moneys that had been locked up in that fund in the United States could be diverted to public transportation. We don't have that situation, but as the US goes, it seems to be that we usually go, and if they put a lot of money into public transit on this continent, then I think we ourselves will reap some of the benefits.

I think there are three things that have to happen. There has to be a development of new technology.

An hon. member: Agreed.

Mr. Germa: We have the Ontario Transportation Development Corp., about which I am going to say a few words later on. But we need development of new technology. We need the establishment of a **complete new system**. Some of our systems are redundant and we just can't do anything with them. We need large-scale purchases of new equipment, of course; that ties in with the first item.

There has to be a lot of money put into a programme to take us out of our automobiles and put us into public transit. There also has to be an integration of our system—bus, rail and whatever other mode we might happen to develop.

To get down to a few specifics, Mr. Minister, I was lucky enough to attend the meeting you held in Sudbury where the hon. Barney Danson presented the federal government's proposal to remove railway tracks from the core areas of our cities. I support the stand that you, the Treasurer (Mr. McKeough) and the Minister of Housing took at that particular meeting when the federal government proposed that they would pay 50 per cent of the costs of railway relocation, the province would pay 25 per cent and the municipality would pay the other 25 per cent. I agreed with your stand but for very different reasons. It's funny how we seem to align side by side every once in a while for different reasons.

The Province of Ontario's case was that we are responsible for highways and whenever we have to move a highway we accept our responsibility and therefore pay 100 per cent of the cost of highway relocation. As the railways are a federal matter, the federal government should then accept 100 per cent the cost of railway relocation. The Treasurer and yourself did say that there was not one penny coming from the Province of Ontario on account of railway relocation in Ontario.

My reason for supporting your position is not a monetary consideration. It is that I think

our future, as far as proper transportation is concerned, lies with railways. I think the corridor into our downtown areas has to be preserved because the day will come—I don't know whether it's 10 years or 20 years or even five years hence—when you and I, or those people who come after us, would have to go out and acquire these lands which are at present in such a state that they can be used for transportation corridors. If we were to remove the rail tracks now and turn them into development, we would spend a lot of money later on trying to get a proper transportation system into the centre core of our cities. The transportation corridor in Metropolitan Toronto speaks to that. Without that corridor, how would your GO Transit ever have achieved the success it did?

While I don't agree with how the province is approaching it, I hope that, even if the municipalities themselves are willing to put up the extra 25 per cent that the province will not carry, you have some input into it, and determine that at no time in the foreseeable future will these railway corridors be disposed of until we prove that we will never need them again in the future.

There hasn't been much happening, as I said before, since we were here last. We've done a couple of Mickey Mouse things. We've brought in moped legislation and put a ferry on and we designed a streetcar. That's about all I've seen happening in the past year.

For the last thing that happened in northern Ontario I have to go back to 1970 when you opened up Highway 144 between Sudbury and Timmins. You haven't done anything since that time. The neglect in northern Ontario is quite evident as far as transportation is concerned. Oh yes, you've put in a couple of passing lanes and you've done a few feasibility studies, but as for supplying northern Ontario with a link to the commercial centres, you really haven't done it.

I would like to bring to the minister's attention the thinking behind the northeastern Ontario municipal action group as they see transportation into northern Ontario. I don't know if you have had correspondence with this group, but they have made a suggestion—I made the same point last year during the estimates—I'm quoting now from the Timmins Press, Nov. 28, 1974: "One of the main reasons for high freight costs is that trucks often haul goods only one way."

Now we talked about the PCV licence and how granting a monopoly to a private individual in order to protect his business is not in the best interest of all of the citizens of Ontario. When you have a truck hauling ply-

wood or pulp or lumber from Foley or Chapleau to Toronto, you're expending energy to bring those goods down here, and the trucker is precluded from having a return load.

The northeastern Ontario action group recommended:

The establishment of central depots, one in Toronto and one in Timmins, would ensure maximum use of trucks in both directions. Shippers could have their goods delivered to the depots for delivery by smaller carriers. A pool of common carriers wishing to provide service to and from the area would call in at the depots and pick up the return goods.

It would not matter what kind of a PCV licence they had or whether they even had a PCV licence. At least the highways would be utilized to move goods and not to move empty trucks.

Trucks in northern Ontario are the biggest problem, as I see it, I travel many thousands of miles per year in northern Ontario and it is almost impossible to get past these trucks. Knowing that almost every second truck on that highway is an empty truck and has no reason to be there just frustrates me all the more. In fact the truck does not have to be there if the ministry would rationalize its PCV licensing programme.

The group also said:

Although the experiment with freight rate reductions did not achieve the desired result, it did demonstrate that the use of Star Transfer to keep freight rates down induced other companies to do the same.

They go on to recommend that the Ontario Northland Railway should not aim at making a profit. The Ontario Northland Transportation Commission should be an agent provocateur and run at a rate which could induce the other private truckers to try to match and in that manner get a handle on the present freight rates. I think that is one of the prime reasons that I would be willing to continue publicly funding the Ontario Northland transportation system.

The group went on to say:

Better service and low rates could be reached through a provincial railway linking northern and southern Ontario. The group feels the province should undertake a study into a provincially operated railway extending from Hearst to Toronto.

They recommend that the Canadian National Railways lines should be leased for operation. I have talked of that too. I believe that the roadbeds should be in public ownership. It is in public ownership now—at least the Canadian

National Railways portion is. It should not be exclusively the right of the Canadian National Railways to operate its own trains exclusively upon that roadbed. I think if the Province of Ontario wants to run a passenger service from Hearst to Toronto, as suggested here, arrangements should and could be made to run on the CNR right of way and supply the transportation which is rightly needed.

I have also mentioned, and I am going to mention it again, the problem of Sunday trucking. Trucking on our highways in northern Ontario is bad through the week. On Sunday it just becomes unbearable and absolutely impossible. I am surprised that the minister has waited so long to bring in legislation to get a handle on Sunday trucking. It appears that the Lord's Day Act is not going to hold these people. The government has lost a couple of cases in the Supreme Court, I understand, and the only recourse now is to bring in legislation. I have made various recommendations and I will deal with them further when the vote comes.

I would like to talk about the Ontario Transportation Development Corp. We had great difficulty last year in getting any answers out of the OTDC. The minister said he couldn't answer or wouldn't answer because it was a privately incorporated company and had its own funding, and we had no right even to ask these questions. I am a little disturbed that this company is at arm's length and that the minister is not responsible for development projects in the Province of Ontario. The OTDC, which is aiming at a profit, is not going to investigate those things which are going to be to the benefit of the population as a whole, because one is not always coincident with the other. The best thing for the population is not necessarily that thing which is going to produce a profit.

I am a little amazed and I don't see much future for the OTDC. I don't know what they have done; we couldn't get many answers the last time around. I know they did develop a streetcar which I think is acceptable. They did a little work on dial-a-bus but of course that's not really new development; that is just taking a shell that someone else built and redesigning it.

The things I am thinking about are being done by various private companies, like the LRC which is being developed by Alcan, Dofasco and MLW-Worthington now. This is a light, rapid and comfortable train developed here in Canada. It is capable of speeds up to 120 miles an hour even on our existing track. I would suggest that if we put in proper trackage we have a system here for really revamping

passenger service in the Province of Ontario. This is the kind of thing the Ontario Transportation Development Corp. should've got involved in instead of getting their feet all tangled up with this Krauss-Maffei thing.

I don't intend to be as critical about Krauss-Maffei as Mr. Givens was. I think it is the job of the OTDC to investigate and inquire into things which are not already on the road. What I object to was the approach the government took in putting all its eggs in one basket. It was going to solve the transportation problem with the magnetic lev. linear induction concept. It was too highly touted; there was too much publicity about it and I think the whole approach was wrong.

Researchers don't work in that fashion. They don't work by headline. It's a lot of hard work. A lot of things have been done in garages without anybody knowing anything was going on. That's the kind of research I am talking about. I don't want a headline a day for political gain about research. I think they should just buckle down and do things; do simple things; start out small. You started out too big altogether with Krauss-Maffei.

Why didn't you develop kinetic energy? We know of this concept. It has been known for hundreds of years. It has to be adapted. There is a lot of energy locked up in kinetics. I notice now that a couple of private individuals, Ald. O'Donahue of Metro Toronto and, I think, a professor from the university are going into kinetic energy and they are going to develop it and put this thing to use. Why isn't the OTDC in on that? They should've been far down the road on that.

Regenerative braking—what have we done on that? I raised that a year ago, and I haven't heard or seen anything they are doing.

I'd like to make a couple of points about roads. I think the worst piece of highway, the most dangerous piece in our whole system is Highway 103 and Highway 69. That is the link between northeastern Ontario and Metropolitan Toronto. That is probably the most accident-prone and most dangerous piece of highway in northern Ontario. The roads on Manitoulin Island are something else to see. You just haven't done the work; you haven't spent the money up there; you haven't taken an interest.

I know you are going to tell me that the per capita costs—the per capita dollar spent—in the north is probably twice as much as the per capita in the south. That really doesn't hold water because we have a sparse population, we have long distances to cover, we have rough terrain, we have harsher winters. Certainly it's going to cost more per capita to put in a trans-

portation system but notwithstanding the costs, I think everyone of us, even as far as Moosonee, is a resident of Ontario. There is no reason why we in the north should have secondary service compared to the people in the south.

Mr. Chairman: Do you want to answer their questions now, Mr. Minister?

Hon. Mr. Rhodes: Mr. Chairman, I won't attempt to answer specific questions because both Mr. Givens and Mr. Germa have indicated that these were their opening remarks and that they will be dealing in more detail with specifics after we get through each vote.

I do want to make some general comment on both of the presentations. I'll probably jump from one to the other. It's rather interesting to hear the comments of Mr. Givens who is on one hand telling us that we are not doing enough in the way of providing expressways or other facilities for the movement of vehicles, then Mr. Germa says that we have to get off the expressways and put more time into public transit.

So it seems to me that we must be doing something reasonably good because we've got both critics with different opinions mad at us for not doing enough in their own area. So we must be doing something in both at least.

Mr. I. Deans (Wentworth): Well, one of them could be wrong.

Hon. Mr. Rhodes: Yes, I suggest maybe you are.

Mr. Deans: No, you come to conclusions about things.

Hon. Mr. Rhodes: Mr. Chairman, I'd like to respond. I was very nice. I didn't interrupt anybody; I sat and listened very carefully.

Mr. McIlveen: Mr. Deans wasn't in here then.

Mr. Deans: I make a living interrupting.

Mr. Chairman: Order, please. Let the minister continue.

Mr. Ruston: Yes, he wants to answer without interruptions.

Hon. Mr. Rhodes: I think we totally agree with the concept that we must get into public transit in certain parts of this particular province. I agree again with what Mr. Germa has said about the construction of highway facilities in northern Ontario.

With the greatest of respect to Mr. Germa, I don't think he, by any stretch of the imagin-

tion is the only one who has some concerns about northern Ontario. I think I have as many concerns although I have not been there quite as long, but I think we were both born in the area, at least I was, and I think I've been perhaps around as long as he has and I'm just as familiar with the problems. I hope these problems can be overcome.

Mr. Ferrier: You are in a position to do something about it.

Hon. Mr. Rhodes: But the situation is simply this: If you are going to build highways I agree 100 per cent that there has to be a continuing development of a highway programme in northern Ontario. I said that before, and I'll continue to say it, and I will continue to do what can be done to spend moneys in that area as they are available within the budget. By the same token I think you have to develop public transit facilities in the metropolitan areas like Toronto and the other cities that are growing all the time—in the Hamilton area, in London, in Ottawa, where public transit is important.

Mr. Germa says we are following the United States. I would think that's probably very correct. We have followed the United States for various, obvious reasons. We have seen what was happening there, and if you relate back to what the European experience is, certainly your observations on what's happening in Paris or in London or in any of the other older cities in Europe are correct. But if you have driven around these older cities you know exactly why people have gone to urban transit to 60 per cent of the population.

You could never accommodate heavy volumes of automobile traffic in those old cities that were built hundreds and hundreds of years ago, with carriage ways as their road system. Those same buildings are still sitting there. How in the world are you going to drive cars, even of the type and size they have in Europe, in any numbers in the congested areas through those little, narrow streets? So people were brought up on urban transit from the time they were pulled by horses to today's most modern technology.

In Toronto and other major cities it's different. Many of you have served on city councils at the time when you were designing your new streets and new subdivisions and new areas in your communities. Sudbury, for one, designed very wide arterial routes for the one purpose of moving traffic and moving automobiles and the same thing was done in most of the newer cities in North America. I can recall a number of years back everyone raved

about the great foresight of the city of Winnipeg and the huge wide arterial route they built through their city for one purpose—to move automobiles. And that was the concept.

To compare and say the Europeans are far ahead of us is unfair. Certainly they were forced into that area of public transit by the very nature of the cities they developed and the congestion of population.

In some areas in Europe during the period of 1939-1945 we helped to solve some of their urban problems—urban renewal of a sort that we really aren't interested in having.

Mr. Givens: You talk about bombing them.

Hon. Mr. Rhodes: A lot of those cities were rebuilt as a result of the destruction in that holocaust.

Mrs. Campbell: Are you suggesting that is our planning process here?

Hon. Mr. Rhodes: I am sorry I missed that.

Mrs. Campbell: Are you suggesting that should be our planning process here?

Hon. Mr. Rhodes: No, it isn't necessary.

Mr. Laughren: You have the foxholes in northern Ontario already.

Hon. Mr. Rhodes: They wouldn't have to be very deep for you to get into, I will tell you that.

Mr. Germa: We have developers here instead of bombs.

Hon. Mr. Rhodes: As far as the development of transit and transportation facilities goes, Ontario is a leader. The very progressive provinces of Saskatchewan, Manitoba and British Columbia, have done absolutely nothing in the way of urban transit. They are still. I think the only step forward made by one of those socialist provinces is in Manitoba, where they started a bus company. Now I don't know what you run buses on, except highways.

Mr. Laughren: Winnipeg's not a city of two million people either.

Hon. Mr. Rhodes: That was the progress they made out there. They couldn't solve their labour problems and went out of business. So, let's get political about it, if you want.

As far as transit development in North America is concerned, I don't think there is any question, except for odd situations, Ontario is far ahead of any other jurisdiction in developing new transit systems. You can look at the

city of Toronto. I agree, it is because of the foresight of the people who ran this community years ago, including Mr. Givens, but the best urban transit system anywhere in North America is right here in the city of Toronto.

Mr. Ferrier: Is that in the northwest quadrant?

Hon. Mr. Rhodes: It is improving. There are all kinds of problems to be overcome. Nobody questions that. There is a need to improve those facilities.

Retain the rail corridors? Absolutely. We say retain the rail corridors. The only involvement the Ministry of Transportation and Communications has had, as far as railroad relocation is concerned—up until the federal government passed their Railroad Relocation Act, which is not a transportation bill; Mr. Danson himself admits it is a land-use bill—was to go into municipalities at their request, and do transportation studies.

Most communities that asked to have their railroads relocated through this ministry, on the study, wanted relocation to facilitate the movement of traffic. In many communities—mine for one, and I think Sudbury for another—they wanted changes because it was causing automobile congestion. They wanted to have their railroad tracks relocated to avoid the costs of trying to put in underpasses. Windsor is another one. They have exactly the same situation with all kinds of grade crossings and dangerous situations with the amount of traffic that is moving.

There are certain cities where you are going to have to move railroad tracks. St. Thomas is a golden example. There are four or five different railroads coming into that community chopping it up. There will have to be some railroad relocation there. In others, I think we should retain our rail corridors. That is exactly what is happening in the waterfront area of Toronto right now. Retaining the rail corridor through there is providing the facility for the movement of the GO system. It will also facilitate the expansion of that system on to other lines—on to the Streetsville line, and the Malvern line. All of these lines are there. They are corridors now, they should be retained. They shouldn't be relocated.

The city of Toronto hasn't asked to have them relocated either. Other cities such as Thunder Bay, Sudbury, St. Thomas, Windsor, Sault Ste. Marie and others have asked to have lines relocated. London has also asked to have their railroad relocated. We have said we are prepared to co-operate with those communities and study the situation, to see whether or not they should be moved.

We don't disagree with the retaining of the railroad corridors in the cities as future methods of transportation. We disagree with the bill presented by the federal government, not only for the reasons you have mentioned, Mr. Germa, but for financial reasons and also for the simple fact it is not going to do anything more than make land available for development.

We are not going to get caught in the bind of putting up the tremendous number of dollars required, not only relocate the railroad tracks, but also to relocate all the industries and businesses now being served by those railroad tracks. The federal government has said very clearly that not one sou is available from the federal treasury to assist in the relocation of those facilities now served by railroad tracks.

OTDC? There has been development of the dial-a-bus. You may play it down by saying it is nothing more than the redesign of an existing shell but we were the first jurisdiction to do that and develop it into a viable operation that has been acquired by a number of municipalities in this province, outside of this province, and outside of this country, as a reasonable transportation facility. It is a viable vehicle and it is being purchased.

The streetcar that has been developed by OTDC has improved technology, improved design, and the TTC in Toronto is most interested in acquiring a large number of them to replace their present stock. Sure they are having difficulty, but you try to show me anywhere in this country today, or for that matter in North America, where streetcars are being developed of the number and the type that are needed to improve the transportation facilities in cities like Toronto and others that would want to go to rail.

Mr. Givens says we should be developing light rail. That programme has gone on all the time. It has been said by the opposition parties all along, since the very beginning of the OTDC and the KM programme, that all of the eggs were going into one basket. It just isn't so. I sincerely believe that you know that isn't so. There have been programmes going on within my ministry and in the OTDC to develop light rail and there has been considerable progress made to improve the type of vehicle that could go on those rails.

We have worked to improve the type of rail, to do away with the environmental concerns that people have—to meet those concerns, the noise factors and all of these things. They have been working on a new type of undercarriage for these vehicles so that they can be quieter and they won't use as much energy.

You talk about the flywheel principle. That has been looked at very extensively for application not only to light rail vehicles but also for the subway system—to get that energy and reuse it.

Those are all being looked at at the present time, not only by the OTDC but by the ministry and by the TTC—the three agencies together. It is being done.

The LRC—light, rapid and comfortable—is being developed. The technology is being developed and is being tested by the CN. We have to wait until the tests are completed.

Mr. Givens remarked—probably justifiably so—about the BART system and the Morgantown system. The reason both of those projects failed as miserably as they did is because of the speed at which they tried to develop them. By the time they got the blasted things ready to go the technology was antiquated, it was obsolete. That is why they have been faced with these tremendous costs.

We have been taking our time in some of these areas to make sure the technology is going to work and that it will meet the transportation requirements of these municipalities. We are criticized for doing just exactly the opposite to what was done in the US. Some of the interference that took place in those communities from the various political bodies involved was absolutely astounding. If you read the story on BART you couldn't believe the problems that were created by people saying to the technicians: "Never mind what is going on now—get busy and get it on the track and make it go." The damned thing didn't go and the reason—

Mr. Ferrier: How much more has to be done on that LRC?

Hon. Mr. Rhodes: I have no idea because the testing isn't completed. You have to keep in mind one very important thing. There is a constraint on what we can do in the development of rail transportation. The federal government is not about to say to us, "Take over the railroads." We have had discussions with the federal government. We have said to them—and I said this in the House—let's not quibble over who has jurisdiction over what; let's work together in the development of a national transportation policy.

Yet that policy is being developed at the federal level and we really question whether they have adequately involved the provinces. All the provinces have differing transportation needs from coast to coast. We want to be involved, and perhaps we should be involved, in providing rail transportation to the Province

of Ontario, but we just don't have the jurisdiction. Those railways are under federal jurisdiction, federal law, federal control, subject to the CTC and to the federal Minister of Transport. That is the way it is.

Mr. Ferrier: Not with the ONR.

Hon. Mr. Rhodes: I don't know how I am going to run a train from Hearst to Toronto when you have to run half the distance over CNR track and they won't let you on to it.

Those are the things that have to be resolved, but they have to be resolved in discussions with the federal government. You can run them on the ONR on that particular right of way from North Bay to Moosonee and there you have it—light, rapid and comfortable—but in one little specific area? Silly! If we can integrate the systems as I have suggested, that may be the resolution to it. But in order to do that there has to be a change of policy on the part of the various levels of government and the jurisdictions they have.

I say again, let's throw jurisdiction out the window and just get on with the job of providing better transportation not only on rail, but on highways, and air transportation as well.

There are regional needs.

I think we have proven with the norOntair service that you can get involved at the provincial level in providing service and regional air carriers, integrated with the mainline carriers. But we are still involved in jurisdictional disputes because of who decides who gets the licences and how it's going to be put together.

And the federal government? I am not being critical of them; I am not passing any blame on to them at all, but they have said they will not license the Province of Ontario to operate an air service. It must be private carriers and those carriers who are now operating have first crack at it. So we act as an administration body to try and put it together.

We have not put all our eggs in one basket. We are continuing on in the hopes of developing a new technology with the use of magnetic levitation.

Magnetic levitation works, as Mr. Givens has suggested. It's going from city to city on the long haul. It's going to take some technological know-how and some experience in research and development to make it workable for urban purposes.

The federal German government pulled out of that programme. They said to me quite openly, and I reported back to the Legislature openly and honestly, that they were pulling out of all of their long-range technological pro-

grammes and research and development programmes to get into more short-range, high profile things. That was the reason for getting out of it. But they are still into mag-lev, as far as long-range and long-distance hauling is concerned.

We are into that programme in the hope of being able to develop a new technology. I think it is a responsibility of governments to be into research and development. And what if we do it in garages and don't come out publicly and say what we're doing? You gentlemen and ladies would be the first ones to stand up in the Legislature and say, "What is the provincial government doing spending public money and not telling us what it is doing?" So we have to tell you what we are doing; it's public funding we are using. We have a responsibility to tell you, so that you can get up and tell us we are wrong—which you are going to do anyway, even if we are right. But urban transit is going ahead.

Mr. Laughren: How would you know?

Mr. Givens: If things are so good why are they so lousy?

Hon. Mr. Rhodes: Things aren't lousy.

Mr. Givens: Why can't you go out and participate in these wonderful things that you have been talking about? Get an LRT or an LRC and do these wonderful things you've been talking about.

Interjections by hon. members.

Hon. Mr. Rhodes: I've told you—

Mr. Chairman: Would you let the minister finish his comments?

Mr. Givens: When is the great day coming?

Hon. Mr. Rhodes: I'll tell you and you'll know exactly why. I repeat again what I've said before, the Province of Ontario has not refused to subsidize to the fullest of its subsidy programme any proposed transit system anywhere in this province.

Mr. Givens: Proposed by whom? Who do you expect to propose things?

Hon. Mr. Rhodes: By anybody. I expect the responsible municipal governments who want transit within their area to develop them.

Mr. Givens: But you've emasculated all of the municipal governments.

Hon. Mr. Rhodes: No, we haven't, not at all.

Mr. Givens: You did it in the case of Toronto with the Spadina Expressway.

Hon. Mr. Rhodes: Not at all.

Mr. Givens: You have scared the living hell out of them.

Hon. Mr. Rhodes: Not at all.

Mr. Givens: Oh, sure you have.

Hon. Mr. Rhodes: Not at all.

Mr. Givens: Nobody wants to make a move. They don't plan 40 days in advance now.

Mr. Chairman: Order, please.

Hon. Mr. Rhodes: The only person who I have heard say transportation is amiss is Jean Marchand. He's the only one.

Mr. P. Taylor: He's got guts.

Hon. Mr. Rhodes: Yes, he's got guts all right.

Mr. Chairman: Order, please.

Hon. Mr. Rhodes: And I am pleased to hear finally today some of the policies that are going to be developed and we are going to hear about, I assume in the not-too-distant future when that fateful day is called. Today I heard the Liberal policy on seatbelts and speed limits. And I am pleased to have that, and I trust that is the policy of your caucus.

Mrs. Campbell: You have been hearing it for ages, you just don't listen.

Hon. Mr. Rhodes: That's the first time I've heard it. I don't know whether they apply to Ontario or not. You'll have to ask Phil that; I can't tell you. He says we have the highest fares in Toronto. Now, that is probably correct. But, by God, you get the highest standard of service in this city today too, the very highest of urban transit anywhere.

Mr. Givens: Sure, but no thanks to you. The TTC developed that out of the fare box—

Hon. Mr. Rhodes: It is here, and I have never denied that the TTC subsidy programme is the best of its kind in North America.

Mr. Givens: —out of the two percent mill rate.

Hon. Mr. Rhodes: The subsidy programme for urban transit in this province, 75 per cent on capital costs and 50 per cent of the operating deficit, it the best subsidy programme in North America. You won't find anything comparable anywhere else in North America.

Mr. E. R. Good (Waterloo North): Four years ago you couldn't get a nickel.

An hon. member: Yes, the minister can say that now.

Hon. Mr. Rhodes: But you are getting it now. Four years ago you were getting it.

Mr. Good: Five years ago you couldn't get a nickel—

Hon. Mr. Rhodes: In 1971 the programme was there.

Mr. Givens: No. This is why you didn't get much public transit, because it was all screwed up.

Mr. Chairman: Order, please.

Hon. Mr. Rhodes: I want to touch a bit on the question of the talk about the Spadina, and when I am going to respond to Metro council. Metro council has sent me a resolution to pave Spadina. I said at the very beginning to Metro council when they sent me the resolution—and before they sent the resolution—that I had looked at the report that Soberman put out on the Metro Toronto plan review. He made specific recommendations on how to handle the northwest situation, one component of which was to pave four lanes down the Spadina corridor to Eglinton; one component. The rest of it was four-laning the 400 down to St. Clair; the building of a parking garage in the Spadina corridor and the development of that east-west subway system or rapid transit system you were talking about—but no one else has been talking about—in the Eglinton corridor. It was part of a total package he proposed. My response to Metro at the time the report came out was if they were prepared to take this total package and bring it forward based on Soberman's report, I would be prepared—I say it again—to recommend to my cabinet colleagues that we say; "Go ahead with paving the four lanes down Spadina" but not only as a single component or the only part of it. That's what Metro has done. They've come back and said, "We're going to do only the one thing."

We never agreed with the one. We said, "Do the whole thing, the whole programme in the northwest."

Mr. Givens: When did you tell them that?

Hon. Mr. Rhodes: In the very statement I made at the beginning, right after the Soberman report came out; I made that comment—a package deal.

Mr. Good: You never said that in the House.

Mrs. Campbell: No, he didn't.

Hon. Mr. Rhodes: That was in a statement I made at a press conference right in this building

and there is no question about that. I can produce it for you. Soberman made his report and he brought all these components into it; and that's the position we've taken.

Pup trailers, I'll touch on that briefly. There has been a very extensive study done on pup trailers. Mr. Humphries has been involved in it intimately; we've had the industry involved in it. We can produce some figures as you suggested and we will do so before these estimates are over.

On vote 2301:

Mr. Ruston: On the first vote, you were saying you have a different setup now. Last year, in main office, your estimate was \$5,153,000 and, of course, under ministry administration you have it altogether different now. You call it executive and it's now \$1,884,000.

In effect, what are you doing? Where has this gone? Can you explain that? Are you transferring main office into other areas because you just classify this as executive? Will you explain that?

Hon. Mr. Rhodes: We thought we were being helpful; Mr. Germa suggested we had made it more confusing. I hope we haven't.

This particular item includes the operations of the minister's office; the office of the deputy minister; the assistant deputy minister of administration; and the executive co-ordinator for external liaison. It's just that one executive area. We've tried to break it down into smaller areas for you.

The major items in this area would be the public education programme—this is into specifics but if you take a look at the services, for example, we provide—

Mr. Ruston: What would the services be for \$411,000? What would that cover, more or less?

Hon. Mr. Rhodes: That's the public education programme, a continuing programme of public information to promote public transit; to get feedback on information we are requesting from people—such as the survey we carried out on the dial-a-bus in the York Mills area. We asked people to give us their thoughts and how they thought this programme could be improved. There is province-wide newspaper advertising which the ministry is required to put out; exhibits and models which we put out such as at the annual exhibition. We have a display there; there are displays which go around the province as part of the safety programme and the information programme;

films and audiovisual programmes, again, for our safety promotion.

Mr. Ruston: What about seatbelt advertisements and promotion? Is this in that or is this in another area?

Hon. Mr. Rhodes: Yes, the promotion is in here.

Mr. Ruston: The promotion; but the total seatbelt advertising campaign; "Buckle up," on TV, radio, in newspapers?

Hon. Mr. Rhodes: Yes, that part is in here.

Mr. Ruston: That's in there.

Hon. Mr. Rhodes: There's another portion later on which is partly under research and development and which we will come to later on.

Mr. Germa: What was the reason for changing the name from main office to executive? Does that denote something or is this just your new writer giving things a more flamboyant name?

Hon. Mr. Rhodes: No, I think main office at one time, covered the whole main office. What we've done is break it down to the executive areas of the ministry.

Mr. Givens: Instead of giving them a raise.

Mr. Germa: How far down does that go?

Hon. Mr. Rhodes: I have just finished telling you; down to the assistant deputy minister of administration.

Mr. Germa: Does that account for the reason I see administration costs in every other vote?

Hon. Mr. Rhodes: There always have been administration costs.

Mr. Germa: No, most votes didn't have administration costs, but I notice now there are administrative costs in the other votes.

Hon. Mr. Rhodes: Some of the salaries of the various executive positions in these areas are now charged back to each of the various programmes, so you have some administrative costs.

Mr. Germa: Well okay, if I add up all those administrative costs I can see an increase of \$5 million in this particular item. The whole thing is confusing.

Hon. Mr. Rhodes: You won't see an increase of \$5 million. I think you conceivably could see an increase, because there has been an

increase in the general costs of operation and certainly in salaries alone.

Mr. Chairman: If I may interrupt, I understand we are not sitting tonight.

Hon. Mr. Rhodes: Tomorrow morning.

Mr. Chairman: Tomorrow morning.

Hon. Mr. Rhodes: Mr. Chairman, let me explain that, and if you—

Mrs. Campbell: As usual, we never know.

Hon. Mr. Rhodes: My apologies. I thought you did know because this was understood yesterday, and I apologize to the committee if they didn't know. I was prepared to sit both this afternoon and this evening. However, I had made a commitment a long time ago to be at the Charlie Conacher fund-raising programme tonight at the Royal York Hotel. I attempted to cancel that, I couldn't do so and it would have disrupted the programme that they have established for this evening.

Mr. L. Maeck (Parry Sound): You are not the star tonight.

Hon. Mr. Rhodes: I am not the star, and I don't consider myself as such, and I was prepared to stay here. I was requested by the people who operate that particular fund-raising affair to do what I could to be there. I requested that we not sit this evening, and we are just not going to sit. I will be here tomorrow morning.

Mr. Ruston: It is too bad somebody didn't tell us when we started this meeting. I just cancelled an important meeting in Windsor tonight. I could have taken the 6 o'clock plane and been back in the morning—

Mrs. Campbell: But that doesn't matter.

Mr. Ruston: —and I cancelled the damned thing, and now you don't even sit tonight. You know, it's really unbelievable. We were told yesterday about 3 o'clock that these estimates were coming up. You just meet whenever you feel like it. It's rather provoking. You wonder whether you have any input into this situation at all. Mr. Chairman, it's really very unreasonable. I try to co-operate and—

Hon. Mr. Rhodes: Mr. Chairman, I am going to take exception to that remark, because I didn't know until yesterday specifically that my estimates were coming up. I suggest to you with the greatest respect that I have had to make as many cancellations as anybody in this room in order to be here today, tomorrow and to continue all of next week. I am prepared to

make those cancellations, that's part of the responsibility, and I agree with it. I regret, and I have apologized to you; I can't do any more.

Mrs. Campbell: Mr. Chairman, may I inquire who, if anyone, orders the business of this Legislature?

Mr. Chairman: I don't know.

Mr. Ruston: No one.

Mrs. Campbell: That's just the point, if the minister didn't know, why should we be treated like this?

Mr. Ruston: It does make you—but I can understand if the minister didn't know until yesterday noon or 2 o'clock that his estimates were coming up I don't put the blame on to you. It's rather ridiculous.

Mr. Chairman: I think we all found out about the same time yesterday afternoon.

Mr. P. Taylor: The minister has issued a condemnation of the House leader which I think is pretty clear.

Mrs. Campbell: That's right.

Mr. Ruston: But it just shows you how—

Mr. P. Taylor: Mr. Chairman, could I ask you what hours—

Mr. Germa: Before we leave that, Mr. Chairman.

Mr. Chairman: It will be, as I understand it, right after question period in the House until 1 o'clock.

Mrs. Campbell: We can believe in it?

Hon. Mr. Rhodes: Well, I will be here.

Mr. Germa: Who is the beneficiary of this charity programme tonight?

Hon. Mr. Rhodes: It is the throat cancer programme that is carried on with support from the Charlie Conacher Research Fund.

Mr. Chairman: Can we just get on with the estimates?

Mr. Germa: It is probably a worthy cause then. I thought it might be a PC fund-raising organization.

Mr. Chairman: Order, please. I think we have taken enough time on this. I think we should get along. We have half an hour yet, and we can cover some ground.

Mr. Germa: Mr. Chairman, I was asking about what I see as a \$5 million increase in item 1, dispersed throughout the whole estimates.

Hon. Mr. Rhodes: Mr. Germa, I don't know what the increase is. Can somebody give me what the total increase would be in these, if this was all back as it was last year?

Mr. Chairman: While the minister is looking that up, I wish you would ask to be put on a list here to speak so that we are not jumping all over the place, and so I know who wants to speak to this particular vote. Maybe it will keep a little better order that way. If you want to speak on the first vote, please indicate and put your name down.

Hon. Mr. Rhodes: Well, Mr. Germa, I think perhaps the easiest way to answer it is that a number of the salaries of some of the executive people that would have been included in what we had as main office last year, are allocated now to specific programmes throughout the estimates. There certainly is no \$5 million increase if you total up all these figures, but the various salaries that were taken out of the main office operation and allocated to the specific programmes that appear in the specific votes and under administration.

Mr. Gilbert: As the minister says, going back to other times in the House, we were always criticized for not having that split out, and this is what we have tried to do. We have tried this year to take the particular division heads and what have you, that are attached to programmes such as planning, design, etc., and put it under administration of that particular programme so you know what the administration is costing in each one of those areas. I think the majority of this is in personnel, salaries, etc. As the minister says, there is certainly no \$5 million increase, sir. I don't know where you got that.

Mr. Germa: I simply added up the administration costs I saw in the other programme which weren't there last year and I came to a \$5 million increase.

Mr. Gilbert: Some of them could have been in that other programme but they didn't include the senior executive people as part of it. But what we would actually have to do is take everyone who was in before and compare them to how they are split out now to give you a proper comparison of the two. But I can assure you there is not any increase of \$5 million when you compare those.

Mr. Germa: Well, can you tell me what increase it is?

Mr. Gilbert: We would have to go through everyone who was in that before, and find out where they are now and come back to where it split.

Mr. Chairman: Does anyone else have any questions on the first item of 2301? Is item 1 carried?

Item 2.

Mr. Ruston: Yes, financial and management services—last year you called it financial services. Now that's up considerably, but is this then taking in some other areas? Is that right? What are you covering in financial and management services, at \$4 million for salaries and wages? And services, \$5 million; what does this cover?

Hon. Mr. Rhodes: Let me say first of all that most of the increase you see in here is the data processing producer services. Approximately \$1.8 million is budgeted for the operation of the new automated vehicle system. That's the system that has the four million registered passenger vehicles in the large computer files updates the records—so that's included in here. \$1.3 million is budgeted for the operation of the automated driver system, and that system contains all the registered drivers. And included in the budget is the 10 per cent price increase for computer processing services.

Mr. Chairman: Is the second item of 2301 carried?

Item 3, legal services.

Mr. Ruston: This would be outside legal services. This is mostly under contract, I take it. Is that right? At least you hire—

Hon. Mr. Rhodes: It is the Ministry of the Attorney General. Most of the legal services are provided by the Attorney General's office.

Mr. Ruston: Would this be some consultants or—

Hon. Mr. Rhodes: The only time we might get an outside solicitor might be in anything that we would be involved in, perhaps, with the PCV Act, or the Highway Traffic Act. Most of our legal services are provided by the Attorney's General's office. In fact, all of them.

Mr. Chairman: Item 3 carried?

Item 4, personnel services.

Mr. Ruston: It's just your staff that looks after personnel? In other words, is that what their main job is?

Hon. Mr. Rhodes: Yes, there is an increase in cost here over last year due to—well, there are normal salary increases in the salary revisions. Then there was the transfer of manpower, as well, the manpower planning office.

Mr. Chairman: Item 4 carried?
Item 5, general services.

Mr. Ruston: In general services you have salaries \$5.4 million, services \$2.3 million, and supplies and equipment, \$5.6 million. What is the general outline of that?

Hon. Mr. Rhodes: First of all, if you start in the salaries, it's for the approved complement of 444 persons. There was some increase in the cost due to the reorganization of the programme and activities in the ministry, as well as the salaries of 257 complement relocated in new programme structures.

In the supplies and equipment, we were talking about such things as the stationery, office furniture, machinery, equipment and this sort of thing. The increase over last year is due to the phased re-equipping of the district radio systems. That was \$550,000. There were inflationary effects on stationery and printing supplies, \$200,000, and furniture and equipment have gone up \$300,000.

Mr. Ruston: Can you tell me what the total staff of the Ministry of Transportation and Communications is now?

Hon. Mr. Rhodes: You mean under the ministry?

Mr. Ruston: Yes, the total under the ministry?

Hon. Mr. Rhodes: A total of 11,300.

Mr. Ruston: Thank you.

Mr. Givens: A total of 11,300.

Mr. Gilbert: We're down.

Hon. Mr. Rhodes: We're a small ministry compared to some.

Mr. Gilbert: We've gone down.

Mr. Givens: You're shrinking, eh?

Hon. Mr. Rhodes: We're shrinking.

Mr. Givens: Do you contract anybody besides the—

Hon. Mr. Rhodes: Oh, yes. There's some contract and some summer employment as well—our programmes of construction in the summer. Our approved complement was reduced as of Sept. 30, 1974, from 12,149 to 11,967.

Mr. Givens: How much is that? From 12,149—

Hon. Mr. Rhodes: To 11,967.

Mr. Givens: To 11,967.

Hon. Mr. Rhodes: Then as of April 1, 1975, we were reduced from 11,965 to 11,606.

Mr. Givens: All right. Now have you made up that difference by contracting?

Hon. Mr. Rhodes: No, we haven't made up that difference at all by contracting. That's our reduction and our contracting hasn't increased at all.

Mr. Givens: Has your contracting decreased?

Hon. Mr. Rhodes: Let me say that as a result of some of this reduction—you will find that later on in another vote—we have had to go out to outside consulting firms for certain consultant work.

Mr. Givens: That's at a top level.

Hon. Mr. Rhodes: Not necessarily. You get your consultants and you're involved with—

Mr. Givens: What I'm getting at is this, when we're being told about a staff decrease of—

Hon. Mr. Rhodes: Of 2.5 per cent.

Mr. Givens: Of 2.5 per cent, what I am interested to know is whether in all the departments that 2.5 per cent reduction in complement of strength is being supplemented by contracting going up by 2.5 per cent. Is there a numbers game going on?

Hon. Mr. Rhodes: Not as far as I'm concerned. I don't think our contract staff has gone up at all. Quite frankly, we have faced up to the direction we received which was to reduce our complement. We have done so.

Mr. Chairman: Mr. Taylor, do you have a question?

Mr. P. Taylor: I was mainly interested in how you achieved these reductions. Is it solely through attrition or is it through attrition and layoffs?

Hon. Mr. Rhodes: I don't think we've experienced any layoffs. It's been mostly attrition and not replacing people who've left us.

Mr. P. Taylor: Excuse me, but there was a large number there. I seemed to detect a difference of about 300 people there at one point. Is that right?

Mr. Gilbert: Yes. I think you have to appreciate, sir, that in any large number like this there are always vacancies. These are people who are retiring, coming and going. We normally have run somewhere around eight per cent. What we have done is we have said, "You cannot fill those vacancies." And that's what it amounts to.

And as the minister has said, it is particularly the areas such as design and planning, where you can go out and hire your consultants and lay them off when it's finished, that have been the main areas where we have been able to not bring in in-house people.

Mr. P. Taylor: Do you know how well you're doing with respect to meeting your instructions to cut back on staff compared to other departments?

Hon. Mr. Rhodes: I don't know about other departments, but I think we've reached it. Frankly, it isn't that difficult to do.

Mr. P. Taylor: Are you down to the level you were asked to get to?

Hon. Mr. Rhodes: Yes, we are. Just let me explain. It is not that difficult to do.

It is not as though you go in like Simon Legree and start telling people to pack up their duds and go home. You do have, in that size of a complement, vacancies that are there almost continually, all the time. We have simply said to the various department heads, "Look, we know you have a vacancy, but you can't fill it. It stays vacant." That is how you accomplish your reduction.

Mr. P. Taylor: Can you tell me whether you have done any kind of examination to find out to what extent this reduction in staff has attracted a higher level of complaints due to your inability to serve the public?

Mr. Gilbert: I should go back to what I was saying. I should explain, we have within the ministry, the senior assistant deputy ministers and myself, what we call a complement control committee, which approves all filling of vacancies and what have you.

At a time like this, as the minister has said, this complement control committee says, "You can't fill these particular vacancies." At the same time they look at the areas where you can either buy the services or cut down certain programmes that maybe were effective at one

particular time but don't have the same priority. That senior staff then says, "Yes, the programme still could carry on, but it won't carry on with the same priority as it did before."

Mr. P. Taylor: Then I rephrase the question. To what extent has your reduction in staff increased the number of complaints or comments on the part of the public that you have not been able to serve them?

Mr. Gilbert: The way we have been doing it, I am not aware it has increased.

Mr. P. Taylor: Are you, sir, under direct pressure from your branch and division and section heads to allow them to fill a lot of these positions?

Mr. Gilbert: Yes; and that's always the case. I won't say always, but certainly people have programmes to complete and they always like to do them as quickly as possible and what have you. There has to be a control on them.

Mr. P. Taylor: Have you found that these reductions, where they've taken place, can perhaps be maintained in the programmes? In other words do you think under different economic circumstances you would maintain staff levels pretty well at what they are? Have you found that people were in fact redundant?

Mr. Gilbert: I don't know what you are getting at.

Mr. P. Taylor: I'm trying to find out whether you think that perhaps the complement in your department was a little fat, was a little excessive.

Hon. Mr. Rhodes: No. Let me try to answer that.

I don't think that would be correct. I think what we've done is not fill some of the vacancies. Let's take the design division for example. You would get that much more design work produced if you had more people working in the area; but you've reduced it, you don't fill all the complement, so that division has to go along and design as best it can to the best of its capability. If you get into a bind and it's something that has to be done, then you go out and get a consultant to come in and for a short period of time prepare that particular work for you, but it's not a full complement.

You can say the same in research and development. The people who are there produce what they can.

Mr. Ruston: You are not sure and this won't show up for a while, but if you don't have as many engineers, we'll say, maybe two months

from now you have to hire consultants for only six weeks or two months. But by the time you pay the consultant's fees, are you really in effect cutting down your cost of operations or do you just not have as many people on your staff? Over the period of a year, are you really saving all that much money?

Hon. Mr. Rhodes: I would say you are probably half right and half wrong.

Mr. Ruston: It's not bad, to be half right. If you get the minister to admit you are half right you are doing something, you know.

Hon. Mr. Rhodes: No, I think probably what you are saying has some merit if you apply it to specifics. But you don't have the ongoing sort of costs. You hire your consultant for whatever the term of his endeavour is, and then he's gone and you don't have the ongoing costs. You don't have the ongoing fringe benefits that you would pay to a full-time employee. You pay your costs to your consultant and he's gone.

Mr. Ruston: The thing is, of course, that there is a possibility the overall saving may not be as great as it would appear when it's on that basis.

Hon. Mr. Rhodes: As to the overall saving in dollars, I'm not going to attempt to give you any example. I don't have the figures. I would say we are getting the programmes done that we want to get done or must get done. Where we don't have our own staff and there is a programme that has to be moved along and it is essential that it gets done, rather than hire a full-time staff which we would keep on ad infinitum we hire consultants and pay them. I can't tell you in total dollars. There is probably some saving. It may not be as great as it would be if one just lopped off all of that work.

Mr. J. P. Spence (Kent): Mr. Chairman, is the ministry cutting out some projects that it was considering and not doing them in order to meet its cut in staff?

Hon. Mr. Rhodes: No, we are continually reviewing our programmes. There are some where there are increased costs, where we go over the budget as a result of inflation. Budgeting is a very imperfect science and there are times when we have to postpone a project as a result of insufficient funds in the budget. We are not cancelling projects because we have to take people off staff.

Mr. Givens: How many parliamentary assistants do you have?

Hon. Mr. Rhodes: I have one.

Mr. Riddell: How many did you have?

Hon. Mr. Rhodes: I had two.

Mr. Riddell: Does this ministry do that much more volume of business than other ministries that you have to have two parliamentary assistants?

Hon. Mr. Rhodes: No, I think you will recognize that the second parliamentary assistant was the former chairman of the Ontario Northland Transportation Commission.

Mr. Riddell: Which was his sole responsibility?

Hon. Mr. Rhodes: That's right.

Mr. Givens: Is the \$10,000 shown here two at \$5,000?

Hon. Mr. Rhodes: That was the two at \$5,000. That could be reduced by \$5,000.

Mr. Root: Could I ask a question re hiring outside consultants? When you hire outside people do you provide office space for them or do they provide their own?

Hon. Mr. Rhodes: No, they supply their own office space and their own staff. We put it on the cost of that particular project.

Mr. Root: In other words, you could reduce the amount of accommodation you use when you let some of your work out to consultants. That would be another increase in savings.

Hon. Mr. Rhodes: If we increased our staff by 1,000 people then we would have to find floor space for 1,000 more people if they were all inside. We have a lot of them outside too.

Mr. Chairman: Is item 5 carried?

Mr. Germa: Just a moment, Mr. Chairman; I knew what one of your parliamentary assistants was doing, but I don't know what the other one was doing. The one that is still with us. What does he do?

Hon. Mr. Rhodes: The other one is Mr. McIlveen. Mr. McIlveen's responsibilities in the ministry involve dealing with many delegations which come in. I am not able to meet all delegations and my parliamentary assistant meets with delegations. Municipal delegations are the biggest load we have of people coming in with proposals on work they would like to do. This is a never-ending process. There is a continual stream of municipal people coming in to see us. We share that workload in the office. I can assure you it is substantial.

Mr. McIlveen: Come and follow me around some time and I will show you exactly what I do.

Mr. Germa: Could your deputy minister or executive assistant not do that job?

Hon. Mr. Rhodes: Yes and no. I am doing this in rather a halfway manner; and I think for a good reason. Many mayors and reeves and local municipal councils don't want to talk to civil servants. They want to talk to somebody who is elected. They don't want to talk to people who have been appointed to an office; they want to talk to elected people. I know on many occasions when I am not going to be available on a certain day that they want to come in I have suggested that they could meet with the deputy. Some say okay, fine; others say no way, they will come back another day if necessary. They just don't want to talk to other than the elected people.

Mr. Germa: But they will talk to Mr. McIlveen.

Hon. Mr. Rhodes: Oh, they love him.

Mr. Givens: Even though the elected one doesn't know what he is talking about, they want to talk to the elected one.

Hon. Mr. Rhodes: I think the same thing applies in almost every riding in the province.

Mr. Givens: That's fine, but I'd rather talk to a civil servant any day, one who knew what he was talking about.

Mr. McIlveen: I have heard a couple of critics from the opposition that didn't know what they were talking about today too.

Interjections by hon. members.

Mr. Chairman: Is item 5 carried?

Carried. Item 6, audit services.

Mr. Ruston: Is this the auditing for all the departments as well as auditing for municipal subsidies and so forth?

Hon. Mr. Rhodes: That is correct. It is our financial audit and the engineering audit.

Mr. Givens: Why would the audit services go up?

An hon. member: They didn't go up.

Hon. Mr. Rhodes: They've gone down.

Mr. Givens: They have gone up.

Hon. Mr. Rhodes: I'm sorry, they have gone up.

Mr. Givens: They have gone up.

Hon. Mr. Rhodes: It's up \$329,000.

Mr. Givens: Okay.

Hon. Mr. Rhodes: That's salaries.

Mr. Riddell: What is this compensation for loss of taxes for the city of Niagara Falls?

Hon. Mr. Rhodes: It is one that I always shook my head at since I came here. Back in 1941, when the Rainbow Bridge came into being, there was an agreement entered into between the government and the city of Niagara Falls that Niagara Falls would be paid \$12,000 a year from 1941 through 1980 to compensate them for the loss of taxes on the property that was required for the Rainbow Bridge.

Mr. Riddell: And that programme ends in 1980 you say?

Hon. Mr. Rhodes: In 1980, yes; right. And I can tell you that the city of Niagara Falls is not overjoyed because it feels they should be getting more than that—more than the \$12,000 per year—but that is the agreement. I guess it looked good in 1941.

Mr. Germa: That was on account of property that was acquired for the roads.

Hon. Mr. Rhodes: Well, for the bridge plaza area, where it came across.

Mr. Germa: This happens in every community, whenever you build a road; other communities are not compensated.

Hon. Mr. Rhodes: I don't know; it was 1941. I have to plead a degree of ignorance on that one. I wonder about it too.

Mr. Chairman: Mr. Taylor.

Mr. P. Taylor: There has never been a suggestion that you would voluntarily reopen those negotiations?

Hon. Mr. Rhodes: No, it is covered by the Rainbow Bridge Act of 1941. I have never suggested it be amended.

Mr. Givens: There is no pot of gold at the end of that rainbow.

Hon. Mr. Rhodes: No.

Mr. Chairman: Is vote 2301 carried?

Hon. Mr. Rhodes: I just want to add one other point. The Act provides that the bridge will be exempt for all time from taxation.

Mr. Givens: Why would you charge taxes on a bridge?

Hon. Mr. Rhodes: I don't know. I guess the municipality would like to.

Mr. Givens: It isn't revenue-producing, is it?

Hon. Mr. Rhodes: It is for the bridge authority I think.

Mr. Givens: I beg your pardon?

Hon. Mr. Rhodes: It may be for the bridge authorities; they are all run by various authorities, you know.

Mr. Gilbert: We don't really know the background to it. It was in 1941 and we have just had to carry it along.

Hon. Mr. Rhodes: Everybody is dead now.

Mr. Givens: And how long will this go on?

Hon. Mr. Rhodes: Until 1980.

Mr. Maeck: Who was the Premier of the province in 1941?

Hon. Mr. Rhodes: Mitch Hepburn.

Mr. Ruston: Oh yes, that's how he got things done.

Hon. Mr. Rhodes: I wouldn't think of amending that Act.

Mr. Givens: There must have been an election pending at the time.

Mr. McIlveen: It's the last Act he enacted.

Hon. Mr. Rhodes: That is an historical document.

Mr. Ruston: That's right; he got the bridge built.

Mr. Chairman: Shall vote 2301 carry?

Vote 2301 agreed to.

Mr. Chairman: Do you want to start another vote now—it now being 5:52—or will we leave and—

On vote 2302:

Mr. C. J. S. Apps (Kingston and the Islands): Mr. Chairman, I would like to ask one question in this particular vote; and that is:

What is the comprehensive provincial transportation plan for water?

Mr. Givens: Where do you see that?

Mr. Apps: That's in the vote 2302 programme description.

Hon. Mr. Rhodes: That's a good question.

Mr. Germa: That is to accomplish economic interaction.

Mr. Ruston: Are you putting these words "economic interaction" in there this year?

Mr. Chairman: Do you want to go into vote 2302 at this time? Or do you want to wait until after the question period tomorrow?

Mr. Ruston: I want to analyze that programme description a little more.

Mr. Apps: The reason I asked, Mr. Chairman, is that for several years I have been advised by the ministry that they are providing an overall plan for ferry services throughout the province, and I take it this is where this comes in. I haven't seen or heard much of that overall plan for ferry services, and I am just wondering whether in the planning in this ministry there is anything being done in that connection.

Hon. Mr. Rhodes: I think part of the answer is that we have now a policy that has been established as it relates to what our involvement will be in the various types of ferry services that are provided. We can even provide you with that policy in writing rather than under this vote.

Mr. Apps: Perhaps I should bring that up under another area.

Hon. Mr. Rhodes: We will send it to you and give you a look at what we have done. It's a policy that determines what our financial involvement will be in the operation of certain ferry services; whether the province is paying 100 per cent, 75 per cent, 80 per cent; the various subsidies we provide for the operation of the ferries. We will provide you with that information tomorrow.

Mr. Chairman: The committee is adjourned until right after question period tomorrow.

The committee adjourned at 5:54 o'clock, p.m.

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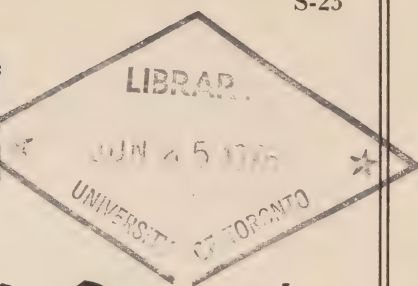
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Ontario. Legislative Assembly



Ontario



Legislature of Ontario Debates

ESTIMATES, MINISTRY OF TRANSPORTATION AND COMMUNICATIONS

Standing Resources Development Committees

Chairman: Mr. R. K. McNeil

OFFICIAL REPORT — DAILY EDITION

Fifth Session of the Twenty-Ninth Legislature

Friday, May 30, 1975

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

THE QUEEN'S PRINTER
PARLIAMENT BUILDINGS, TORONTO
1975



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Daily index of proceedings appears at the back of this issue. Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff (Phone: 965-2159).

LEGISLATIVE ASSEMBLY OF ONTARIO

FRIDAY, MAY 30, 1975

The committee met at 11:17 o'clock, a.m.

ESTIMATES, MINISTRY OF TRANSPORTATION AND COMMUNICATIONS

(continued)

On vote 2302:

Mr. Chairman: Were you on, Mr. Ruston?

Mr. R. F. Ruston (Essex-Kent): We started last night. We have \$6 million for research and development. Then there is an item for planning. This is planning "for road, rail, water and air modes that would achieve the desired levels of social and economic interaction."

Mrs. M. Campbell (St. George): That is the part that is so beautifully written.

Mr. Ruston: I'm not sure what we should discuss here. Maybe I would ask the minister or someone to explain a little more in detail what we actually are covering in this. I have a few notes on different items and I'm not sure if they belong here or in another item.

Hon. J. R. Rhodes (Minister of Transportation and Communications): It's the planning we do and the research and development for all of the various transportation facilities that come within the responsibility of the ministry—highways, the ferry services, the air services that we are operating in northern Ontario—

Mr. Ruston: Dial-a-bus wouldn't be here, would it?

Hon. Mr. Rhodes: It includes planning, research and development, yes.

Mr. Ruston: Do you have anybody following the one that was mentioned by the member for Sudbury (Mr. Germa) yesterday with regard to light rail that is being tried out in Colorado?

Mr. P. G. Givens (York-Forest Hill): LRC.

Mr. Ruston: It's LRC—light rail coach. It's being tested in Colorado in a special area they have set up for this type of thing. Do you have anybody there at any time watching the results of this test, or is this strictly the three companies that are involved in it?

Hon. Mr. Rhodes: In Colorado.

Mr. Givens: Pueblo.

Mr. I. C. Campbell (Executive Director, Research and Development Division): We have had people there, we know the results.

Mr. Ruston: You say you don't know the results.

Hon. Mr. Rhodes: We do know.

Mrs. M. Campbell: What are they?

Mr. Ruston: The speed that this thing can go sounds rather interesting. It can go up to 125 miles an hour on the straight. The carriages being built are supposed to be very good at taking curves. We had problems with that other one, somewhere over in Germany. I was reading the article in the Dofasco paper here; it is a rather interesting article. I would hope this type of system could be—it would appear to me it could be—used for city to city probably. When in last year's estimates I said I thought rail transportation would always surpass air transport especially for distances of 200 to 250 miles or less, I didn't think air travel was ever going to be that satisfactory, although I suppose there are some advantages. It doesn't carry the amount of passengers so I think we should be looking at this type of transportation.

Of course, we would have to upgrade our protective systems on the rail lines as some of them are not properly protected now. It seems to me this would be one way of moving people from city to city and this may even be possible, I would think, in large metropolitan areas.

I believe it takes a mixture of different types of transportation to move people in metropolitan areas. I have spoken on this before in the House and I think about seven or eight years ago, in one of my first speeches, I was concerned that some of the cities in the United States were not looking at other than expressways. I see the city almost right across from where I live—Detroit—has never really concentrated on building rapid transit. Instead, they went in for expressways and to a degree they have almost depleted the downtown section although they are now trying to build it back up again. Of course, Los Angeles would be the same thing although Los Angeles now is con-

centrating on buses as a means of moving the people and it is working fairly well.

What I am saying, Mr. Chairman, is I think probably I am a little parochial in that living in an area where we manufacture good cars, we like to have expressways too.

Hon. Mr. Rhodes: You want it both ways?

Mr. Ruston: I would like to have it both ways. I think a mixture of both, John, is ideal.

Hon. Mr. Rhodes: You're trying to have your own position and support theirs, too.

Mr. Ruston: I don't think you can stop people from using their cars.

Hon. Mr. Rhodes: I don't think you can either.

Mr. Ruston: They will put up with inconvenience, even if they have to wait in traffic.

Mr. Givens: You have to have it both ways. There is no ideal answer to this.

Mr. Ruston: I don't like waiting in traffic, because I don't come from an area where we have to wait for traffic; there are not that many people around. You can turn on your radio, I suppose, if you get frustrated, and listen for a while and wait. You don't have that in other types of transportation, although I suppose you can read your paper on other types of transportation.

I am one who really believes you have to have a mix of both. In most of the areas in the United States 75 to 90 per cent of the people still use their cars for getting to work. We know of cities in Europe where they don't, but you are going to have an awful time stopping people from using their cars as long as there is a street there. You are going to have to consider both, because I think there are so many people who can use rapid transit. As long as the facilities are there, they will come in or they will get on it; they will park their car and go on it.

I think you have to have these other types of transportation for visitors. There are so many different things involved and that's why you have to have a complete system—rail, expressway, buses and so forth. I for one have always said if we are going to have happy people who are going to want to use different types of transportation, you have to concentrate on both of them at the same time.

I was looking at the traffic count in some of our streets here in Toronto. I see the Don Valley has a traffic count of about 124,000 cars a day; University Ave. has 41,000. Now that's just a city street, and yet it's handling one-

third of the traffic of the Don Valley. Spadina Ave., between College and Harbord, has 26,000 cars a day. Avenue Rd., between Dupont and Davenport, has 42,000. So, there's a city street that's handling one-third of what a large expressway is handling.

Mr. Givens: That's because cities are for people.

Mr. Ruston: The people are using their cars in the cities, aren't they?

Mrs. M. Campbell: They certainly are for people.

Mr. Ruston: So there's 42,000 cars a day going down Avenue Rd. that are using the city streets. Maybe there are some city streets that can be used for traffic—

Mr. R. Haggerty (Welland South): Spadina.

Mr. Ruston: —and not have to build a whole new expressway.

Mrs. M. Campbell: You're so right.

Mr. Ruston: Three streets will handle as many as the Don Valley, perhaps. It's something that really takes a lot of research and a lot of thinking, determining how you're going to handle this traffic. But it's interesting when you look at it that way, you know.

Hon. Mr. Rhodes: Basically, I don't see where there's any disagreement at all with what you're saying. You have indicated there has to be a mix of the modes; we couldn't agree more. You're right on, and that's what we're trying to develop, a mixture of the modes.

The difficulty that you have, especially in a place like Metro, depending on who you're talking to, there are those from parts of Metro who will jump up and down and tell you that you should run the expressways right from the Gardiner clean up to the north end, and you should turn around and build one going east and west the same way. On the other hand, there are those who will do everything they can, to the point of putting their bodies across the roadway, to prevent cars from going down their own street. So, you've got a very difficult situation to try and cope with. You've got the same situation, I suggest, amongst the representatives in this Legislature from major municipalities, not only Metro. We think you're right when you say that you have to have a mixture of the modes.

As far as the light, rapid and comfortable facilities are concerned, the ministry has been kept much aware of what's going on and has kept abreast of what the developments have

been. We don't at all disagree with the philosophy that that is a system that should be looked at very seriously to provide transportation from city to city. I know we will be accused of trying to pass the buck, but it's not the passing of the buck at all, the fact is that type of intercity transportation is on CN or CP lines, it's a rail facility. It's one that I know the federal government has been looking at.

I can tell you, I think without breaking any confidence, as you well know Mr. Marchand challenged the major railroads of this country to do something about their passenger service. In fact, he went so far as to publicly tell them if they didn't he would take over the passenger service. Let me tell you that he has a proposal from the railroad. I can't tell you what that proposal is—

Mr. P. J. Yakabuski (Renfrew South): Take it over.

Hon. Mr. Rhodes: No, it isn't to take it over, amazingly enough. But you're talking about grade separations and all of these things, this would be part of the overall proposal. It certainly would involve this province in providing grade separations in conjunction with the federal government, where you put in these high-speed trains for intercity service.

I go back to a comment I made yesterday; that is one of the major reasons we would like very much, and we want to be, involved in the discussions that are going on in the development of a national transportation policy. I say quite openly that Mr. Marchand has been most receptive to that, and he desires to have input from the provinces because of the differences of requirements between Saskatchewan and Ontario or one of the eastern provinces. I know what part of that proposal is from the national railways, and perhaps Mr. Marchand will be making it public shortly. But you had better hang onto your wallet—let me just put it that way—and hang on tight.

Mr. Ruston: Oh, I can imagine.

Hon. Mr. Rhodes: We are in support of improved rail service between cities. We have opposed discontinuance of services the railroads have taken off on passenger runs. They took them off for economic reasons.

They are running rail services that you're familiar with. For example, the one from Guelph to Toronto and the one from Barrie to Toronto; and they operate at tremendous deficits per passenger, just tremendous. Last year one of the federal Ministry of Transport people said to me that it would be cheaper to buy a new car every year for every passenger

who's riding on these trains, considering the deficits they're paying.

The way to overcome that, of course, is to increase the ridership, and if you can do that by a better facility, a faster facility, a more comfortable and more regular service, then of course you'll offset those costs. We don't disagree with that.

In the development of new systems within municipalities, we have to integrate all of the various modes. Those traffic figures you give are a good example that people have to have an alternative if they don't want to be in one of those 100,000-odd cars that are coming down the Don Valley with 1.5 people per car on average. If they don't want to be on that they should have some alternative.

If you're dealing strictly with Metro, you're going to have to resolve the very real controversy that exists in this large metropolitan area on which should come first, rapid transit or more expressways. In your community and in mine, and in Mr. Germa's and these areas, we need better road transportation, highway transportation. No question, the cars will always be there. The same fellow who rides the subway and the streetcars and the buses is going to eventually get into his automobile to go, if not home—beyond his home and out into the countryside for visiting purposes. So it's a combination of modes.

Mr. Ruston: Of course, the thing that could have the greatest bearing on it is whether our oil and gas supply continues. If it continues at a price that people can afford to use it, why then of course we'll use it. I suppose if it gets scarce and they raise it, like it is in the United Kingdom to \$1.70 a gallon, then we'll have no choice but to go by rail and whatever other way we can go.

Hon. Mr. Rhodes: I think you recall the President of the United States—I shouldn't say the President, but someone in the United States—said quite publicly that he felt the breaking point, and I think those were his exact words, where people would stop using as much fuel as they are, that the breaking point for price per gallon of gasoline in the United States was going to be \$2; when it reached \$2 that's when people would say: "Whoa, hold on," and start looking for other means of transportation.

The question of energy consumption also is a very real one that we have to face up to. Electrification of some of the transit facilities should perhaps be looked at if that is going to be a better source of energy as opposed to oil and gasoline.

Mr. Chairman: Mrs. Campbell.

Mrs. M. Campbell: Yes, I have two things I want to say. To continue on what you were saying about the expressways and the rapid transit, one of the real tragedies has been that this government took so long to participate in the funding of subways. I was at Metro when we really felt that we should have subways in place, ahead of the subdivision developments in the metropolitan area, so that people would have some rapid transit available and would not get used to driving their cars into the city. But, of course, Metro just didn't have the funding to enable it to do that in the early period.

I comment on that because I think you are deeply responsible, as a government otherwise constituted, for the mess of Metro today. People get into the habit of using their cars because there aren't alternatives. Once they've done that, it is almost impossible to change the pattern unless there is an intervening situation such as the energy crisis.

Hon. Mr. Rhodes: Perhaps I could just comment on that. You say, "as otherwise constituted . . ."

Mrs. M. Campbell: That's right.

Hon. Mr. Rhodes: And it was agreed that in the policies of all levels of government, I would suggest, perhaps with the exception of certain municipal governments, there was not very much attention being paid to transportation facilities other than the highway and the automobile. You could see the deterioration of the rail system across our country—people just weren't riding it.

Mr. Givens: The Spadina subway was the first time the province stepped in to subsidize anything having to do with public transit. It was Mr. Frost who came along and said, "Acquire a wider right of way and I will pay half the cost of acquisition of the extra land that's required." It amounted to about 15 per cent of the cost of acquisition of the right of way of the Spadina transit facility. That was the first time—

Hon. Mr. Rhodes: You mean the Yonge St. subway, don't you?

Mr. Givens: No, I mean the Spadina expressway-subway system, the part of the road allowance acquired for what is now going to become a subway—it is being proceeded with now—that was the first time the province came in to subsidize public transit. Subsequently, Mr. Robarts came in and subsidized the tunnel and the right of way for the Bloor-Danforth subway. But the Spadina subway was the first

time that the province stepped in to subsidize anything having to do with public transit.

Hon. Mr. Rhodes: Right.

Mr. Givens: Up until then it was 50 per cent for arterial roads—period; nothing else. That's why the skew was toward highways and expressways and nothing else.

Hon. Mr. Rhodes: Yes. I don't think anyone can argue that point. But I'm saying to you, and this is not an excuse but it's a fact, that as you well know, the general attitude right across the length and breadth of this country, and for that matter into the United States, was against involvement in public transit of any kind. Metropolitan Toronto, and I said it yesterday and I say it again and I've said it publicly, was a leader in this whole area.

Mrs. M. Campbell: Toronto was the leader, with respect.

Hon. Mr. Rhodes: Toronto, I'm sorry. We think of Toronto as Metro, but you are right, it was the city of Toronto.

Mrs. M. Campbell: The city of Toronto.

Mr. Givens: One of the difficulties, quite frankly, was political. I remember the job Mr. Robarts had to explain to the places in Ontario outside of Toronto that what he was doing was subsidizing a road under a road, because everybody outside of Metro Toronto was objecting, "How come you are giving all this bread to Toronto? Who the hell do they think they are?" He had to try to explain to Sault Ste. Marie, Sudbury and northern Ontario and everybody else why he was doing this. Nobody else had rapid transit and he had to explain.

I remember his motions on television—and he was not one for too many gesticulations. He was contributing for a road under a road, and if he wasn't going to contribute for this road under a road he was simply going to have to contribute 50 per cent for another road, and it was better to do this than to do the other thing.

Hon. Mr. Rhodes: Right. The same situation exists today to a degree. Just as Metropolitan Toronto would like to see increased subsidies for rapid transit and greater development of rapid transit facilities, I know that if you go into many other communities in this province they look upon this with a great deal of distaste. They are saying that too much money is being spent in this particular area. The member for Sudbury and I are two people who have received criticisms galore about the fact that we don't have better road facilities or better highway facilities. They always say, "The money is being spent to provide rapid transit

down in Metropolitan Toronto." Those are real facts.

Mr. Haggerty: In some places you can't even get a sign put up on a highway.

Mr. Chairman: Mrs. Campbell, you have the floor.

Mrs. M. Campbell: May I just continue? I opened briefly the question of the STOL airport. What is your planning and research input at this point into this particular project, and what is the policy of this government as it relates to a possible STOL airport at the island?

Hon. Mr. Rhodes: I will ask Mr. Johnston to answer the first part of that.

Mr. G. H. Johnston (Executive Director, Planning Division): You will recall—I believe it was last October or November—there was a report issued by the joint committee on the Toronto Island Airport which recommended protecting the site for a two-year period until a series of other studies could be completed. These included looking at alternate uses for the site, whether that is the best location for a STOL airport in the Toronto area, and so on. That continuation of the studies was conditional upon financial assistance from the province and the federal government to assist the harbour commission in the operation of the site.

It wasn't until about two weeks ago that there was a commitment by the federal government to provide the \$170,000 toward the operating deficit of the airport. The province had agreed to contribute to the operating deficit of the ferry some time before that. It's just at this point in time now that the additional studies can be initiated.

They haven't been started. There has been no committee structure set up to co-ordinate it. The harbour commission has indicated that it is willing to bring together the parties to try to see if an appropriate organization and study design can be established for this ongoing work. But there is no ongoing work right at this point in time.

Mrs. M. Campbell: Could I know at what point this government made the policy decision that it would cut back on the operation at the Island Airport? At one point in time it was the largest and the most used airport in Canada. It was just cut back and we believed it was a deliberate cutback for a purpose.

Mr. G. H. Johnston: As far as I'm aware the provincial government has had no involvement in the operation of that airport at all and has nothing to say about any cutback. To the best

of my knowledge the federal government has not had any deliberate policies which have led to the cutback of this operation.

The main problem there, of course, is that with conventional aircraft you can only operate under visual flight rules. Although there have been some indications by people such as Otonabee Airways to operate an air service out of the Island Airport, and these applications have been made to the federal government, it cannot be licensed as a scheduled service because they can only operate under visual flight rules, which puts severe restrictions on the reliability of the service.

Hon. Mr. Rhodes: May I just add one other point and touch again on what Gerry touched on? We were in the position of having nothing to say about that airport, or whether it was going to operate or not. It was the Harbour Commission which suggested they had to have financial assistance from the two other levels of government in order to keep going. Our involvement was to subsidize the operation of the ferry and what we are doing now—

Mrs. M. Campbell: You mean that boat which people break their necks on?

Hon. Mr. Rhodes: Yes, we agreed to subsidize to the tune of \$130,000 to cover some of the operating costs and losses. At the same time we went ahead and asked for the federal government's participation—we didn't, the Harbour Commission did—and the federal government has agreed just recently, within the last couple of weeks, to put in \$170,000 during the study period to keep the airport operating. The Harbour Commission has said it couldn't operate it any more; it would shut it down. It was losing too much money.

Mrs. M. Campbell: Could you now tell me what your policies are with reference to that development of STOL at the island?

Hon. Mr. Rhodes: We really don't have any policies on it at all. What we are trying to do is be a part of this four-level government study to see whether or not it is practical, to see whether or not it is desirable. There are a lot of people—when I say people, I mean agencies—at some governmental levels and Air Canada, for example, who are very much in favour of a STOL service. They think a STOL service between Toronto and Ottawa would work well, Toronto and Montreal possibly. They are looking, I take it, with some favour at the island. As far as this government is concerned, we have not made any policies. Really, we are just agreeing to take part in this four-level discussion—federal and provincial govern-

ments, Metropolitan Toronto and the city of Toronto.

Mrs. M. Campbell: What is de Havilland's input into this committee?

Hon. Mr. Rhodes: I think de Havilland's input—

Mr. H. F. Gilbert (Deputy Minister): None at all, sir.

Hon. Mr. Rhodes: Let's not say none at all. It is not on the committee but certainly de Havilland, as any other citizen or corporate citizen is, is free to make submissions which it has done. I've read some of the reports and I'm sure you have. The company is very pro-STOL because it is manufacturing STOL aircraft. De Havilland now, I guess, is owned by the federal government which is very keenly interested in the Dash 7 as a STOL aircraft; that is the Twin Otter which is being used very successfully now on the Montreal to Ottawa run. Certainly, they have an interest in that because they're making the airplanes.

Mrs. M. Campbell: You were going to let me know who sits on this committee.

Hon. Mr. Rhodes: Yes, but the committee itself has not been formed. At the present time, the first meeting held was nothing more, really, than a continuation to all intents and purposes, with the same people who served on the previous committee—like John Kruger from Metro; Susan Fish for the city of Toronto; Mr. Johnston from my ministry; I'm not sure who comes from the federal government.

Mrs. M. Campbell: And the board of trade?

Mr. Johnston: No, it was strictly a government meeting to discuss and sort of prepare our own thoughts as to what we felt was the appropriate way to go from this point on. It's simply for suggestions to take back to our own governments.

Mrs. M. Campbell: Are those minutes going to be available to the Legislature, as they were before, in one form or another?

Mr. G. H. Johnston: I don't believe there were any minutes taken, to tell you the truth. It was just a discussion by four people sitting around a table.

Hon. Mr. Rhodes: She is referring to when the committee is formally constructed.

Mr. G. H. Johnston: If I could make one comment on that, sir. The proposal is that any ongoing work related to this site—and this was said at the time of the previous committee—

must be done with full public participation and in open view of everyone.

Mrs. M. Campbell: That was the federal position from the minutes; not the position of the province from the minutes.

Hon. Mr. Rhodes: We are talking now about the oncoming committee. One of the very real parts of all of this will be full public participation.

Mrs. M. Campbell: At what stage?

Hon. Mr. Rhodes: The whole stage; the complete stage, the whole thing. Again I mention to you, as I did in the House, there are two parts to this operation. There will be the staff level and there will be the government level, the political level.

Mrs. M. Campbell: Will it be possible for members of the Legislature, including the opposition members, to have some representation at this point in time so we may be able to take up our responsibilities to ensure that the people we represent are fully aware of what is going on?

Hon. Mr. Rhodes: I would say at this point, no.

Mrs. M. Campbell: I see. That's the openness that doesn't exist.

Hon. Mr. Rhodes: The openness exists. From my point of view, I would not allow this committee to become nothing more than a political forum and political debate. I think this committee can operate with the four governments that have the responsibility at this time and their representatives. There will be open public meetings. Everyone, including members of the Legislature and committee organizations within this city, will have an opportunity to participate. But to say they would be members of the committee—no, not at all.

Mr. Givens: Mr. Chairman, there is something which is beginning to alarm me.

Mrs. M. Campbell: And me too.

Mr. Givens: I'll tell you what it is. It seems to me that all the things that your ministry has to deal with are very highly technical in nature, involving a high degree of technology, a high degree of mechanical engineering and so on. On the one hand, we're dealing with that aspect of it and, on the other hand, we're talking about political input, discussions, debates and so on.

What is beginning to alarm me is that if we're going to wait for political consensus on some of the things we've been talking about, we're going to be waiting for the next genera-

tion. The world is going to pass us by. If we put enough of these things off, waiting for these discussions and debates, studies and things to continue and waiting for a political consensus, we're just not going to get a political consensus because these things are highly technical.

Somewhere along the line, you as the head, or whoever is the minister, and your staff are going to have to fish or cut bait. You're going to have to grab the bull by the horns, make certain value judgements and certain decisions and put the bloody things in and take a calculated risk that they're going to work. If you leave this open to political debate, a lot of people who are being called on for opinions on STOL, on public transit, on LRT, on LRC and so on are merely lay people who politically count because they're voters.

You talked about political interference in the BART situation, in the Morgantown situation and in a lot of situations in the States. We're getting the same thing here. One of the alarming things is that your leader made the political decision to scuttle the Spadina Expressway in June, 1968. I disagreed with it. You certainly know what my position is on that.

Since that time, precious little has been done to put something in its place. You've studied it. You gave a speech yesterday where you said you're looking into this and you're looking into that. You're looking into so much that really there's a momentous amount of indecision and nothing has been done to take its place. This is what's alarming me.

What I want to know is when are you going to grab the bull by the horns and say: "We've done all the studying. You've all had your input; you've all had your say and now we're going to do this, that and the other thing, and I'm taking ultimate responsibility. I've got broad shoulders and this is what we're going to do?" If you don't do that, you and several ministers are going to come and go without any decisive action having been taken.

Hon. Mr. Rhodes: I couldn't agree more with you on that point for that simple reason, but I wish you and your colleague, Mrs. Campbell, would sit down and come up with a consensus between the two of you.

Mr. Givens: Forget about me and Mrs. Campbell. You're never going to get a consensus between me and Mrs. Campbell.

Hon. Mr. Rhodes: That's right.

Mr. Givens: I don't think it's important.

Hon. Mr. Rhodes: You had better believe it's important. I have to stand up and be respon-

sible for the decisions that the ministry makes. It is very confusing when I hear Mr. Germa say to me yesterday that we never listen to the opposition.

Mrs. M. Campbell: And you don't.

Hon. Mr. Rhodes: I don't know how to listen to you. I would have to be in stereo to hear you.

Mr. Givens: You have been ignoring me for four years now so you'll ignore me for another four years. But, for God's sake, do something.

Hon. Mr. Rhodes: You have to be in stereo to understand what your party is talking about. You're telling me to do away with public input and get down to business.

Mr. E. R. Good (Waterloo North): He didn't say that.

Mr. Givens: No. I didn't say to do away with public input. I said there comes a point when there has been enough public input and you can't go off from committee to committee to committee.

On STOL, for instance, I'd really like to know what your value judgement is. Never mind what de Havilland thinks. Whatever they think is self-serving. They're manufacturing the darn stuff. I would really like to know your honest opinion—maybe you don't want to state it publicly—about how you really feel about STOL? Is there a STOL in our future?

Hon. Mr. Rhodes: My honest opinion?

Mr. Givens: Do you feel there is a STOL in our future, whether it's going to be on the island or at the foot—

Hon. Mr. Rhodes: I'm on record publicly.

Mr. Givens: —of Leslie St. or up at Maple or wherever? That's just a matter of choosing a site.

Hon. Mr. Rhodes: If you want my position, I've stated my position quite openly and publicly on several occasions that I think STOL is a good idea. Whether it's at the island airport, at Downsview, at Buttonville or wherever it's going to be I don't know. I'm not competent enough in the air service field to determine where is the best place to land it. Perhaps it would have to land at Malton, I don't know, but personally I think STOL is an excellent idea for moving people. I have said that before.

I want to come back and I want to withdraw what I said before; that you did not want public input. That wasn't correct. What I am saying is that here we are now forming a committee to look into this particular aspect at the four

levels of government which will be very intimately involved for their own particular reasons, the city of Toronto, Metro, us and the federal government, and I am saying that committee should sit down and get to work and make some recommendations and we should act on the recommendations, just as you have suggested. But Mrs. Campbell is saying to me that I should open the doors to that committee and let in representatives from the opposition parties, from the neighbourhood groups, from everybody who wants to sit on that committee, and I totally disagree with that. I said so just a few moments ago.

Mrs. M. Campbell: Mr. Chairman, doesn't it ever get through to anyone in this government that if you take the opposition into the confidence of government in a decision of this importance you are less likely to meet with confrontation than you are when you develop the kinds of suspicions in the minds of people that these things are going on behind closed doors? That is when the public, when your opposition, becomes very worried.

As far as I am concerned, notwithstanding what my colleague has said, my point of view is that you have to have some consensus in these very major things, and you don't get consensus by the confrontation method that you yourself set up by meeting in secret and not permitting the members of the Legislature to be a part of the ongoing study.

What happens with us is that you come to a decision, then we get some material—not all of it accurate by any means—then we have to start digging at that point to find out what has been going on for a period of months.

I agree on the facts of the technical aspects but your little shell game, if I may refer to your comments about the Liberals, is that you set up technical committees on which you permit your chosen public groups to participate, like the board of trade, and you preclude others. Then you wonder why there is suspicion, why there is concern and why there is opposition.

I would suggest to you as strongly as I could that you do take into your confidence at this point, on an ongoing basis, the opposition in this House, because we have an obligation, which you seem to forget, to the people we represent as truly as you do, in the sense that we are elected in the same way as you are. I put it to you as strongly as I can, because if you go through with this procedure as it is suggested without that, then I think you are years away from being able to come up with any solutions.

Hon. Mr. Rhodes: I have an alternative. The alternatives that face me, if I follow along with

what I believe you are saying, are that we are one of four components of a committee—

Mrs. M. Campbell: That is right.

Hon. Mr. Rhodes: —that is being established and has been called forward by the federal Ministry of Transport. We are quite happy and quite willing to participate, because we do feel we have an interest. However, the alternative I have, to follow along with what you are saying, would be to withdraw our participation in that committee because we are only one of four. I also think that something that has to be given real consideration in considering STOL as a service to this part of Ontario, is that this is not a Metropolitan Toronto issue and it is not a city of Toronto issue, but the whole of southern Ontario is involved here.

Mrs. M. Campbell: The site is a Toronto issue.

Hon. Mr. Rhodes: The whole of southern Ontario is involved in this service, and we are talking now about providing a service that can serve many of the communities which presently are finding it very difficult because of the very necessity to come to this hub of commerce and business in this country—certainly in Ontario, no question about that—and people from many of the communities within the 100- to 200-mile radius are not able to get into Metropolitan Toronto conveniently and quickly to carry out their business. So to say that this is only a concern of Metropolitan Toronto or the city of Toronto is not correct. The province has to have some involvement—

Mrs. M. Campbell: There's no question about that.

Hon. Mr. Rhodes: —because it is involved with the whole of southern Ontario. I can only say—and I am going to agree with what Mr. Givens has said—that to get a political consensus will take months and months and months. It is perhaps going to be difficult enough with the four levels of government.

I point with a great deal of interest to what happened at the Metro Centre development that we discussed yesterday. Somebody has to take the bull by the horns and make the decision; and that decision can best be made if we can sit down, have studies made—perhaps by smaller groups, as Mr. Cerma suggested yesterday when he was referring to R and D—come up with the answers or what we think are the answers and go ahead, make a decision and take whatever flak is going to be coming from that decision. And if you are not right, there is an answer, isn't there? There sure is.

Mrs. M. Campbell: There really is.

Hon. Mr. Rhodes: I am prepared to do that, but I am not prepared to open up the doors and let the whole world in. Otherwise, we can rent the CNE stadium and hold a town meeting—and I don't believe in that.

Mrs. M. Campbell: Mr. Chairman, I think you flatter the opposition too much if you suggest that we constitute the whole world.

Hon. Mr. Rhodes: No. I don't think you do but I am suggesting that what you are suggesting would happen is that we should let everybody get involved who wants to have an involvement in the thing. How can I say that the members of the Liberal Party and the New Democratic Party should be entitled to sit on that, and that we should not permit the Four Ward nine people, for example, to sit there?

Mrs. M. Campbell: Oh, I see. We are in the position of a community group—

Hon. Mr. Rhodes: No. You told me you represent these communities—

Mrs. M. Campbell:—and not members of this Legislature.

Hon. Mr. Rhodes: This Legislature is not involved in this; we are only one small part of this overall committee. I have said before that I think we should get on with the job at the four levels—and get on with it now.

Mr. Chairman: Mr. Taylor.

Mr. P. Taylor (Carleton East): Just before leaving the subject of STOL, Mr. Minister, I would commend to your attention a letter to the editor in the *Globe and Mail* this morning by a Helen C. Bowman in Ottawa; it is an extremely articulate letter on this very subject. You know, you might even want to look into what she represents, because obviously she has done a lot of homework on the subject. I'll tell you right now that she is disagreeing with Mr. Kaplan, the federal member for York Centre, who as you know had written an article in an earlier issue of the *Globe and Mail* on the same subject.

I have used the STOL system between Ottawa and Montreal, and there is just no doubt about it that if you have what Mrs. Bowman refers to in this morning's edition of the *Globe and Mail*—enough money to travel on it—it is a fantastic service. It takes you from within 15 minutes of the city centre in Ottawa to 15 minutes from the city centre in Montreal. It is fantastic. I don't know whether you can achieve the same degree of proximity to city centres here but that is another issue. The expense also is fantastic; it is now up over \$50

to make a return trip of a total of 220 miles between Ottawa and Montreal. I just leave that with you.

My real concern in this aspect of highway planning in Ontario is, of course, the state of the highways of eastern Ontario; and, as I served notice here yesterday, I would like to know the status of Highway 416. You have placed 416 on the map on page 46 of your booklet entitled, "Construction Programme, 1975-1976", but I think you told me privately in the House some time ago that there is difficulty in the Ottawa-Carleton jurisdiction in planning a route into the city or into the Queensway.

First of all, perhaps you or somebody else could give me a quick update on the status of 416; then I would just like to go on for a minute on another aspect of eastern Ontario highway construction.

Hon. Mr. Rhodes: Well, I can tell you we have had some problems with 416, but a route evaluation study, including full public participation, was carried out by a consulting engineering firm. The study was directed by the Ottawa freeway technical advisory committee, and it is now completed. Their recommendations have been approved by the regional municipality of Ottawa-Carleton.

The technical advisory committee is recommending the route through the Merrivale corridor, but it has run into considerable resistance, as you probably are aware, from local citizens. The National Capital Commission is also involved, and a consensus among all the parties could be some time off yet. We hope it can be resolved upon resolution of the Ottawa-Carleton official plan. I can tell you there are some real differences of opinion between the region and the National Capital Commission.

I have attended some meetings, as have some members of my staff, involving the region and the National Capital Commission. Mr. Barney Danson attended, and hon. Mr. Irvine of the Ministry of Housing. We have attended these meetings, and there is a very distinct difference of opinion between the National Capital Commission and the region on the official plan. If that can be resolved we can get on with the job, but we can't go in and just start doing it.

Mr. P. Taylor: Yes, I think you would appreciate, certainly I do, that the national capital region—Ottawa-Carleton, and Outaouais regional district—have a very serious planning problem because of the federal presence in Ottawa. We are the most over-governed people in all of Canada.

Hon. Mr. Rhodes: I agree.

Mr. P. Taylor: We have township councils, we have municipal government, we have regional government, and we have federal input at several levels. Not only the National Capital Commission, but we have the federal Public Works Department and we have the National Defence Department. All of these agencies exert tremendous pressures and they all have opinions and they all want to see certain things done.

But I would ask you if any of your staff here today are prepared to say whether or not they feel Highway 416 would probably be best connecting with the proposed NCC ring road around the south side of the city. Does the ministry have an opinion on that subject?

Mr. W. Bidell (Assistant Deputy Minister, Planning and Design): As far as the outer ring road is concerned, as you probably know, this is part of the proposed official plan. The route of Highway 416 actually, for some time now, has been designated or proposed for construction right up to the Ottawa Queensway. As a matter of fact, one of the old plans that a consulting firm recommended for Ottawa some 10 years ago was to extend Highway 416 beyond the Ottawa Queensway and on into the center of town, easterly along the Scott St. corridor.

Mr. P. Taylor: God help us.

Mr. Biddell: These matters are all part of the proposed official plan. As you know, the proposed official plan that is now with the Ministry of Housing for approval from the regional municipality of Ottawa-Carleton does show Highway 416, or a major roadway, up to the inner ring road; so that this would connect with the outer ring road.

Mr. P. Taylor: I would hope that that would be the eventual solution and that Highway 416 would not proceed into town, even to the Queensway. I think, sir, you would agree that the Queensway was obsolete before it was finished, and that it is the most poorly designed urban expressway in Canada. There are entrance ramps and exit ramps within very short distances of each other, and traffic is crossing at tremendous speeds. It is the worst urban highway in Canada, and I can't say anything more damaging about the Queensway.

Mr. Minister, I would like to get kind of a statement of intentions from you on the subject of eastern Ontario highways. I would like to know about your philosophy and your department's philosophy. This really comes right down to an Ontario government philosophy with respect to the future and development of eastern Ontario. I think that with the exception

of Highway 417 and the problems you have now enunciated with respect to the national capital region with respect to Highway 416—417 being built for certain reasons and 416 being planned for obvious reasons—there is really no other highway construction programme in the part of eastern Ontario that I refer to. That means from about just east of Peterborough and south of Renfrew, in that large area, the area that is of interest to me most, including Ottawa, Ottawa to Cornwall, Ottawa to Peterborough, Ottawa to Kingston—those major centres—and to major US points.

I am sure your department has had many presentations from the tourist and convention bureau in Ottawa and from the board of trade in Ottawa. You are asking us here to approve a \$231 million programme that, in my opinion, really ignores the highway needs of eastern Ontario. There is now no way to proceed east or south of Ottawa on a four-lane road.

Yesterday I think Mr. Germa was mentioning, and certainly Mr. Ruston was mentioning, the tremendous value to the commerce of a region of truck traffic and loaded trucks going both ways. Trucks just can't move economically on the kind of roads that now exist between Ottawa and Peterborough, and Ottawa and Kingston and certainly tourist traffic is discouraged from travelling on these kinds of roads.

I think you understand how people in my region feel about the highways programme. I would like to ask you if you could deal fairly briefly with what I would call a philosophy on the whole question of the eastern Ontario roads construction programme?

Hon. Mr. Rhodes: I think as far as the philosophy is concerned, I feel—and have said so—that there are two regions in the Province of Ontario where there is a lot of work to be done for highway improvement. One is eastern Ontario; the other is northern Ontario. I think both regions have not received the attention that they deserve as far as development of proper road networks and highway facilities goes.

I say, with a bit of parochialism I suppose, but I'm assuming I will get an amen from my colleague from Sudbury, that eastern Ontario is further advanced than northern Ontario, because you do have Highway 401 going down through there and you do have Highway 417, whereas we are yet waiting for anything that resembles a 400 series highway anywhere in northern Ontario. In fact, sometimes we wonder, or have been wondering up until now, whether we are even a part of the Trans-Canada system.

I'm not saying anything that's going to upset my staff because I've told them this on more than one occasion before I came here and I'll probably tell them after I'm gone; I hope it will be better by that time.

So I can say that my philosophy is that there has to be an improvement in those highway facilities in those two regions of this province. The limitations that you have are the demands that are placed upon the budget of the ministry. Certainly Ottawa is a major municipality, there is no question about that. There is a great desire of people to go to Ottawa. It is a great tourist attraction by the very nature of its being the capital city, so the traffic volumes are increasing. The volumes are also increasing because of the building programme, the growth of the community itself.

Although I don't want to be accused of heresy by some of my friends in my part of the world, the major area of attempting to move people and move traffic is still right down here in this "golden horseshoe" area.

Mr. P. Taylor: Perhaps I could help you out with my problem by specifying my question, by further narrowing it.

Is there any credence in your department to this position? If we had better highways, highways that can carry truck and automobile traffic to the extent that we see as necessary in eastern Ontario, would this not do what a number of studies by various departments of this government have said it would do, and create incentives for industry to occupy all these vacant industrial parklands in eastern Ontario? If eastern Ontario had a better highway system, a better rail service, and perhaps a STOL service, and all these things made it simpler for commerce and people to move between eastern Ontario and this national centre of commerce, would it not alleviate to some extent the pressure on you to create services and so on for the Toronto-centred region?

Hon. Mr. Rhodes: I think good transportation facilities of all modes, as you've suggested, are essential to the decentralization of industry, of business and, of course, going with that, the decentralization of people. There's no question about that at all. I certainly have always felt that was very important.

One of the complaints that obviously you have heard and I've heard many times is from business people in industry saying they don't want to locate in some of these areas because they are too far removed from the market. The capability of getting their products to market as economically as possible to be competitive with those businesses that are located here, and

the capability of getting raw materials into their manufacturing plants, is going to depend tremendously on a good integrated transportation system—rail, road, water and air.

If I can digress for a moment, two weeks ago I was down in Columbus, Ohio. I went down for the sole purpose of looking at the airport programme they have. There are 88 counties in the State of Ohio; 84 of them have county airports. They are only single-strip airports, 4,000 to 4,500 ft. long. They can handle executive jets and that sort of thing.

It was interesting to see that where the government of Ohio, in conjunction with the counties and the municipalities in the area had built these airports, industries immediately sprung up around the communities; immediately. It added to the economy of the area. It added to the tax base for the municipalities in the area. It brought people into the area and they have these all over.

That's right, it is just a part of the programme, tied in with their highways. Interestingly enough what they did—I think it's a good concept—was build these airport strips where they had easy access to a major highway. It was an excellent programme and it's one I think we should look at with a great deal of interest because it has proved it can work. Yes, you are absolutely right; I think that would serve the purpose.

Mr. P. Taylor: I have a couple more questions but I wanted to make a point, for instance, to reinforce what you are saying I think, if you look at the statistics for eastern—and northern—Ontario, the region's percentage of the total population is declining; the region's percentage of viable farms is declining; and the region's percentage of corporate population—the number of firms doing business—light industry and so on—is declining.

The reason that all these statistics are declining is they have to come here. They have to come to the Toronto-centred region to do business. I know we are not going to get an answer today but I merely want to make the point for the record that it sure would help alleviate the problems you are facing in the Toronto-centred region if you would, as Mr. Givens says, take the bull by the horns and make some decisions with respect to northern and eastern Ontario.

I am sorry, I just have to go back to Highway 416 to ask a couple of questions. Has the right of way from the Prescott area been acquired?

Mr. Bidell: As the minister has said the road is open right up to north of Kemptville so obviously that right of way is all available and the place for a future multi-lane road.

Mr. P. Taylor: The right of way is purchased then?

Mr. Bidell: Yes, for the full width. The right of way north of Kemptville into Ottawa is only available in part. Of course, north of the Base-line Rd. in Ottawa there is an agreement, as you know, with the city of Ottawa respecting the cost sharing of property acquisition for a future transportation facility. There have been properties bought on the basis of that agreement to the present time. In summary, between Kemptville and Ottawa the right of way is available in part.

Mr. P. Taylor: Would it be a matter of expropriation of the remaining portions?

Mr. Bidell: No, it won't be a matter of expropriation because we are not actively going out and attempting to acquire all the right of way. We only acquire the right of way on that portion if owners come to us with hardship cases.

Mr. P. Taylor: What I am saying is if you resolve your problems with the national capital region, will you then go out and buy up these properties?

Mr. Bidell: The timing of the acquisition of the property will, of course, depend on the timing of actual construction.

Mr. P. Taylor: Let's say you were to resolve the problems with the national capital region tomorrow, is the money available to begin construction, to call tenders and begin construction and acquire the remaining properties?

Mr. Bidell: No.

Mr. P. Taylor: Mr. Minister, maybe you should address yourself to that question. If the jurisdictional and planning problems are overcome tomorrow with the national capital region with respect to 416, is there a commitment by you to build that highway?

Hon. Mr. Rhodes: I think we have said that as soon as that can be cleared up and once the selection of the route is completed, our firm construction programme can be established right away.

Mr. P. Taylor: You have the agreement that that highway will be built?

Hon. Mr. Rhodes: My colleagues in the cabinet don't make that decision, I do.

Mr. P. Taylor: You have legislative authority for that money already?

Hon. Mr. Rhodes: I am the one who runs the Ministry of Transportation and Communica-

tions. I can't be running to that group all the time waiting for approval.

Mr. P. Taylor: What I mean is it's presumably a several hundred million dollar project, isn't it?

Hon. Mr. Rhodes: Yes, it isn't going to happen in one year but it can be part of continuing budgets and it will be budgeted in as far as I am concerned.

Mr. P. Taylor: Okay.

Mr. J. Riddell (Huron): I can testify you got to bed early last night, John. You are awful crusty today.

Hon. Mr. Rhodes: No, I am not crusty at all. I went to bed early; I did—you are right. I am anything but crusty. I am being very co-operative and friendly.

Mr. Riddell: My apologies, I just came in.

Hon. Mr. Rhodes: Maybe you got to bed late.

Mr. Riddell: I detected a note of abrasiveness.

Mr. C. E. McIlveen (Oshawa): Maybe that is in your own mind.

Mr. P. Taylor: I am quite aware I may be putting myself on the spot but could you recommend anything I might do to speed this up?

Hon. Mr. Rhodes: It depends on what influence you have on the National Capital Commission. They are a very autonomous group. There is no disagreement between us that we want to get on with this job. You want to get on with it, I want to get on with it, and I think every member of the Legislature from the Ottawa area wants to get on with it—perhaps with one exception. He seems to be opposed to all highways of any kind and wants to go back to pogo sticks. But I think there is agreement.

Mr. P. Taylor: Thank you, Mr. Chairman.

Mr. Chairman: Mr. Germa, followed by Mr. Haggerty, Mr. Root, Mr. Yakabuski and Mr. Young, so you will all know in what order you will appear.

Mr. M. C. Germa (Sudbury): Mr. Chairman, dollar bills always seem to attract me. I am going to ask a couple of questions regarding expenditures in this vote.

Last year, wages and salaries for policy development and research were \$2,926,000 and this year that same item is \$6,345,000. With the OTDC operating, I am wondering why research costs particularly wages, have

gone up, when I thought most of the research had been farmed out.

Hon. Mr. Rhodes: I'm sorry, I don't see where you get that. Did you say salaries were \$6 million?

Mr. Chairman: We are referring to vote 2302, Mr. Germa.

Hon. Mr. Rhodes: Yes.

Mr. Germa: Item 3 of vote 2302. Are we not doing the whole vote in one piece?

Mr. Chairman: Yes, we are.

Mr. Germa: This is item 3, research and development, \$6,345,000. Then when I look across on the other page, I see salaries and wages, employee benefits, \$6,345,000.

Hon. Mr. Rhodes: I think we can break down salaries and wages. Salaries and wages in these estimates for this year are \$2,598,000. The \$6,345,000 is the total.

Mr. Germa: How does that compare with what it was last year?

Hon. Mr. Rhodes: It is down \$4.5 million from the total last year. Last year the total was \$10,863,500.

Mr. Germa: But for wages and salaries last year?

Hon. Mr. Rhodes: Wages and salaries last year were \$1,876,000. We have an increase this year in salaries and wages.

Mr. Germa: I got tangled up in my figures, I guess. I am wondering what is the division. What research does the ministry do and what research is farmed out to the Ontario Transportation Corp.?

Hon. Mr. Rhodes: We don't really farm out any research to the Ontario Transportation Development Corp. They carry on their own research. The interrelationships between the two is a continuing discussion of the various programmes between Mr. Ian Campbell of my ministry and the people of OTDC. OTDC do perhaps more development than they do research in that area. Our research programme is carrying on in the light rail area, the seatbelt programme, and metric conversion. We are doing a lot of work in that area. We are kind of strapped into that. We have an energy management programme, lab and testing instrumentation and this sort of thing. Most of that research is done in our R and D branch. Mr. Campbell can perhaps expand on that if you wanted to get in on that.

Mr. I. C. Campbell: The OTDC is mostly concerned with the development of transit systems—that is, the development of hardware and vehicles for operation. Our ministry here is mostly involved with the research for the public good, which is energy management, energy saving, noise prevention, noise protection and items such as that. We deal more with research items than the development of hardware, transit vehicles, and so on.

Mr. Germa: Could I make comment on the government's decision to four-lane the highway between Sault Ste. Marie and Sudbury? I have some traffic counts here, Mr. Minister, and I don't know how you arrived at the decision to do Highway 17 ahead of 103 and 69. I raised that yesterday.

I mean, granted that we do need the facility from Sudbury to Sault Ste. Marie, but how do you ignore the traffic counts on Highway 103 and 69 which are almost double—not quite double—what they are on Highway 17? The summer average daily traffic on Highway 69—and this is the Toronto side, the south side of Parry Sound—is 10,025 per day summer average, and the summer average, say, Espanola-Webbwood, on Highway 17, is 6,800 and the summer average at Elliot Lake is 6,100.

If the traffic counts on Highway 17 can demand a four-lane highway there, I would suggest that the traffic counts on Highways 69 and 103 are equally and even more important.

Hon. Mr. Rhodes: Mr. Germa, I think if you take the total traffic counts as they run along say the total length of Highway 17 between Sudbury and Sault Ste. Marie, as you are doing—and I am not challenging your statistics at all—I think what you have to do, and you are familiar with what we are doing, is to develop a long-range programme to develop a four-lane facility between Sudbury and Sault Ste. Marie, but by starting at the outskirts of both of the municipalities and working towards eventually a joining. If you take the traffic counts that are existing within those areas where we have completed studies and in some places started construction, you will find that the daily averages are very high. I am talking about—I don't have to tell you the area—going out of west of Sudbury toward Whitefish.

Mr. Germa: Well, what would the traffic count be, say, between Sudbury and Whitefish; the summer average daily traffic?

Mr. Bidell: The summer average daily traffic would be in the 15,000 range.

Mr. Germa: Sudbury-Whitefish?

Mr. Bidell: Yes.

Hon. Mr. Rhodes: So our programme is not to build that particular facility in one fell swoop, the 185 miles, but to build it as it is required, as the traffic counts show. There is no question about it—for example, in the area I am familiar with, once you get 28 miles east of Sault Ste. Marie, to the turn-off to St. Joseph Island, the traffic counts just go right down. As a result, the first phase from that end was to programme it out to that distance. It's the same coming west from Sudbury; the idea was to get into the Whitefish and Lively area and do something in there to take some of the pressure, because beyond that the traffic starts to drop off considerably. Now as far as Highways 103 and 69 are concerned, having travelled the area as well, we do have some programmes going on in that area to carry on along this same line and to meet the demands that are in there. Bill, can you tell us what we are doing in that area—Highways 103 and 69?

Mr. Bidell: Yes, Highways 103 and 69 have to be considered as a total unit right from Sudbury down to Barrie, because that is scheduled as the ultimate corridor between Barrie and Sudbury, of course. As you know, we have done numerous feasibility studies on sections of Highway 69, south of Sudbury, the prime purpose of which is to establish the proposal and the alignment for the four-laning of this facility in the future. We have also done studies of this nature on Highway 103, so that the actual planning for the expansion of this facility in the future has already been done. What will remain to be done now, of course, is to fit it into our ministry construction programme.

Mr. Germa: When can we expect something on the Highway 69/103 area, Parry Sound south to Barrie? I think that is the priority right now.

Mr. Bidell: There is nothing on Highway 103 in this year's estimates.

Mr. Germa: Don't you plan a little bit farther ahead than one year on what your capital construction is going to be?

Mr. Bidell: Yes, there is certainly planning well ahead, but one can't say with any degree of certainty precisely what year this is going to appear in because of the requirement to fit in all the projects this ministry is required to handle, such as the projects just recently spoken about in eastern Ontario, Highways 417, 416 and so on.

I can't say at this time exactly when this project or any of these projects will be scheduled.

Mr. Gilbert: Bill, you might mention that at Coldwater, we are doing the two lanes of the bypass beyond Coldwater.

Mr. Bidell: Yes, there is the two-laning between Coldwater and Waubesaushene. That is a two-laning project; that is not a widening programme, as I think you were referring to.

Hon. Mr. Rhodes: I think the same situation exists, as far as I am concerned, going south of Sudbury on 69 and down to 103. Exactly the same situation is found in that area as on 17 between the Sault and Sudbury and as we find with the four-laning of highways both east and west of Thunder Bay. It's the same idea of trying to keep up with the volumes of traffic as they lengthen out, on a continuing programme.

I agree with you, 69 has got to go on. That is the artery for anybody who comes from the west. They are going to come down that way primarily around Sudbury and down 69 to the Metro area. There has to be a continuing programme in that, too.

Mr. Germa: It has been sitting in that condition since that road was pushed through 10 years ago. There hasn't been anything done on that.

Hon. Mr. Rhodes: Right. I think I can say without any contradiction that I have said within my own ministry that this is an area on which I want some work done; to get on with the finalization of the route selection and the necessary studies and to get on with the construction.

Mr. Germa: Those are the only two parochial things I wanted to raise, Mr. Minister. Even though 103 and 69 south of Parry Sound is not parochial, it is just that I know that on a Friday night half of Sudbury seems to go out and head for greener pastures. The week-end traffic is just impossible in that stretch of highway.

Mr. Chairman: Mr. Germa, if I could just interrupt for a moment. I understand Mrs. Campbell had presented some questions which are to be answered.

Hon. Mr. Rhodes: Yes, I am sorry.

Mr. Gilbert: I think they are under vote 2307.

Mr. Chairman: We'll come right back to you. Are they not on this vote?

Hon. Mr. Rhodes: No, it's all right, we asked for questions and they are specifics so I don't mind giving them. If you don't mind, Mr. Chairman?

Mr. Chairman: Not at all; go ahead. Mrs. Campbell has to leave very shortly.

Hon. Mr. Rhodes: One question was what funds, if any, are available for the proposed widening of Dundas St. First of all the road, as you well know, is a Metropolitan Toronto road and the roads and traffic commission is proposing its widening from Jarvis to University. The city of Toronto, we understand, is opposed to this. If Metro decides to proceed with it this year we would be subsidizing it to the standard 50 per cent which is available to all metro road systems. I think that would be the answer we can give you on that one.

I think basically the same thing would apply to your second question as well.

Mrs. M. Campbell: To all three of them.

Hon. Mr. Rhodes: Yes, that we would subsidize to 50 per cent under our subsidy arrangements with Metro.

Mr. Chairman: Thank you. Mr. Germa, go ahead.

Mr. Germa: Mr. Chairman, I am intrigued to know what is going to happen in Ontario and in Canada in the next 10 years as far as new modes of transit are concerned. This LRC mentioned earlier is quite an exciting thing.

You said you were aware of the development. Are you standing by the side of the railway track watching this thing zip by or are you going to take hold of this thing and maybe utilize it?

Hon. Mr. Rhodes: I don't know how we can because we are not involved with intercity railways. The federal government has the total responsibility there. It's their railway. They control them through the CTC and they are the ones who will determine what is going to go on there. We are in support of improving that service, but we are just not involved.

Mr. Germa: You have asked Mr. Marchand to have some input. At what stage are these negotiations with the feds, in order to have provincial input?

Hon. Mr. Rhodes: We know that the federal government have been carrying on a study; they have had their people going around the country, meeting people in various areas and discussing a national transportation policy. When we became aware of this, we suggested to Mr. Marchand that the Province of Ontario, and for that matter the other provinces, should be involved.

We met with Mr. Marchand and expressed these concerns, and we still really didn't get

the reaction that we felt we should get, that we should be involved. As a result, I made a statement in the Legislature so that it would be very well known that should Mr. Marchand make a statement as to national transportation policy, that is was being made in isolation from discussion with the provinces. Since that time, I have met with Mr. Marchand again and have been given the assurance that the provinces would be involved. But it's at a very early stage.

I understand that Mr. Marchand is going to be making a statement of policy in the House of Commons in the very near future and that a meeting of all the provincial transportation ministers has been called for next month, in Ottawa, to talk to him. I am assuming he is going to discuss some of the things that he will propose in his statement. But, our involvement in developing a national policy has been very limited to this point.

Our position is very clear, and I can reiterate it again, that we feel we should be involved in the development of all modes of transportation in this province. We don't want to see a national policy developed that will not take into very serious consideration the needs and aspirations of the Province of Ontario in the area of transportation.

Mr. Germa: Have you isolated your needs and aspirations? What kind of input are you going to have? Do you already know what you want? Have you got this laid down? Have you gone that far?

Hon. Mr. Rhodes: I wouldn't say that we know 100 per cent about what we want. What we are saying is that we recognize there is a need for an integrated system—better rail transportation, as Mr. Ruston referred to; better air transportation; improved communications by air between the north and the south of this province—and we want to be involved in any development of water transportation policies because of the involvement we have there.

What we have said is that we want to be a part of any of these policies that are going to improve services on rail, for example. We want to know, for instance, where they are going to pick a corridor. Are they going to run a corridor from Montreal that will run through Ottawa all the way to Toronto? Are they going to develop a corridor that will run LRC's, for example, from Windsor to Toronto?

We want to know where they are going to do these things, because there are going to be some ancillary transportation facilities that will have to be tied in with them. We may have to provide a bus service to feed into this particular corridor. We want to know where these

things are going and who is going to pay for them. That is why we want to be involved.

Mr. Germa: Mr. Chairman, my observation is that the greatest inhibiting factor to getting rapid transit on the rails is the roadbed itself. Has your government done surveys? Do they have the expertise to point this out? Maybe the feds don't know this.

Hon. Mr. Rhodes: We have suggested to the federal government, quite frankly, that they should take over ownership of the roadbeds—we said that some time ago—and not allow it to be totally controlled by CN and CP. We said they should take it over like the highway systems at the provincial level—we build the highways, we own them, and we offer these facilities to transportation modes such as trucks, cars, buses and what have you, to use them. We think that's the way to go.

It would be a lot easier for us to deal with the federal government than to try to deal on a one-on-one basis with the railroads to develop rail services, such as the GO system, where we have to negotiate with CN and CP—and we don't negotiate from a very strong position in that case.

Mr. Germa: I agree that the roadbed should not be an exclusive right of way; I agree with your approach. I just wondered what Mr. Marchand's reaction was to the suggestion.

Hon. Mr. Rhodes: I don't like to speak for Mr. Marchand, but I didn't notice any real reaction; he took the suggestion under advisement, I think you might say.

Mr. Germa: You see, the vehicles are there; even the present vehicles are capable of speeds of 100 mph. You know this car made by Budd, this self-propelled thing running out of Sudbury up to White River. It runs about 500 miles up there twice a day, I believe. I was in it just a couple of weeks ago and I was lucky enough to get up front.

Hon. Mr. Rhodes: It whistles.

Mr. Germa: We were hitting speeds of 80 mph.

Hon. Mr. Rhodes: Sure.

Mr. Germa: The car is good for 100 mph, if we had a roadbed. Every time we came to a corner we had to cut back. Just upgrading of roadbed, a simple thing like that—and we do know how to upgrade roadbeds—is only a matter of dollars and a little muscle.

Hon. Mr. Rhodes: I suggested earlier there was a proposal that I knew about that has been

presented to the federal government by the railroads. I think I'm safe in saying that part of the proposal is the upgrading of the roadbeds.

Mr. Germa: To take the roadbeds into public ownership?

Hon. Mr. Rhodes: No, not public ownership, just the upgrading of them. I don't think CN and CP are suggesting that.

Mr. Germa: I don't think we are going to go any place until we do get the roadbeds into public ownership and then make them available to those people who want to supply a service on that right of way.

Hon. Mr. Rhodes: As far as I am concerned, I agree. We have suggested that is the way it should be.

Mr. Germa: It seems terrible to have this equipment capable of such speeds and not be able to put it into use.

Mr. F. Young (Yorkview): Could I ask a question here, Mr. Chairman, in connection with this whole business? The minister mentioned some time ago the possibility of more electrification as far as the railways are concerned. How far have we gone in our thinking along this line? Is the federal government doing any real research into the whole field of electrification? Certainly our hydro power seems to be reaching its limit—that is the sites. We have nuclear power on stream. If we go to coal or oil we still have the big cost. Electrification with hydro power behind it would seem to be the logical way of getting costs down. But Ontario, I guess, has reached the limit there. Electrification would be clean, good and the logical way to go. How far have we gone in the whole research end to see the distance we can go in Ontario in electrifying our major lines?

Mr. I. C. Campbell: We have done no research in electrification of the main railways. It is essentially the CN and CP people who are responsible.

Hon. Mr. Rhodes: I think the question is for the federal government.

Mr. I. C. Campbell: The federal government and the National Research Council are involved in research on electrification.

Mr. Young: But do we know what stage they have reached and whether they think it is a feasible thing within five or 10 years?

Mr. Gilbert: Certainly TATO has. Bill Howard will be coming from TATO and he

can talk about how far he knows they have gone. Certainly, from our understanding, they have gone a long way in electrification research.

Mr. Young: Do you think the backup is there for it—the sources of energy?

Mr. Gilbert: When Mr. Howard comes here, we can ask him under that vote to be prepared to speak on electrification because we have looked at it on the GO line along the lakeshore. He would be in a good position to tell us because he is in constant touch with the federal government as to what is going on. We will certainly make sure that he is prepared to tell us.

Mr. Young: What vote is that?

Mr. Gilbert: It is under 2305. He will be here.

Mr. Chairman: Mr. Germa, did you have any further questions?

Mr. Germa: Going along with what Mr. Young opened up, whenever you are talking about energy you also have to take into consideration conservation of energy. I am thinking of various means to use the power that is wasted by braking a train or a subway or a street car. What kind of research is going on in the ministry to conserve the energy which is being wasted now by just wearing out brake shoes and railway tracks?

Hon. Mr. Rhodes: Can you comment, Mr. Campbell?

Mr. I. C. Campbell: Yes, I can comment on that. In the transit research branch of the ministry we do have an electrical energy saving programme. There are various aspects of this.

There is the regeneration of electrical power from braking. This is not as easy as may be thought. To pump that energy back into the electrical system, that is, the distribution system, is not easy. There has to be another train accelerating at the same time as the first train is decelerating to consume this energy, because once you put energy back into a system it has to be used up or it just uses heat and there is nothing there to consume it.

There is another system whereby you can pump the energy back into the hydro system, but then again this is very complex indeed and has to be tied in with the whole hydro system.

There is another method by which we use flywheels which, when you brake, regenerate electricity which is turned into an energy store by revving up a flywheel. There are problems there because weight is a problem on vehicles.

If the flywheel is too heavy, then you've got a weight problem. If you have a light flywheel, you have to rev to fantastic speeds, which stresses the materials of the flywheel so much that they disintegrate. So there is a whole problem of materials here.

The present thinking is that fibre is the right material for flywheels. This is not state-of-the-art technology yet. The subway system in New York is experimenting with it and we are very well up with the state of the art of that study. We are looking at this thing and keeping up with the technology and we are investigating which is the best method of saving energy for regeneration for different types of service. Flywheels could be good for some services and regeneration could be good for other ones where you have a high volume of traffic which will consume the regenerated energy. It's not a simple subject but we are very advanced in this area. I think, sir, that pretty well covers it.

Mr. Germa: Are you as far as having a working model some place of a flywheel regenerative system, or are you just watching what other people are doing?

Mr. I. C. Campbell: We are investigating all of the different types of flywheel technologies that there are. There is nothing really on the shelf. There is nothing yet which can be put directly into a transit system, because there are so many problems involved. There is one area which we think is very promising and that is to put the flywheel in the stations off track—which means you don't have the weight on the vehicle—and you regenerate into the hot rail and that is absorbed by the flywheel in the station and the next vehicle, as it accelerates, can consume its energy again from the flywheel. We think this is the way to go. You can design better flywheels this way, but the point is that no industry is making this at the present time. We are investigating and doing R and D on it. When we have enough information and if the information is good, which we think it is, it's up to industry to pick this up. It isn't an easy solution, I'm just trying to point that out. Presently, most of the vehicles or train systems regenerate but they just put the energy back into resistors just to consume it as heat, because to put it back into the system is not easy.

Mr. Germa: When you say it is up to industry to pick it up, I think we are relying too much on industry. Certainly two people in Toronto have picked up on that and they are presumably going to spend some money on a flywheel system. I saw the press just last week. I don't think we can wait on industry.

Mr. I. C. Campbell: I don't think you can compel industry to do anything. I think it has to be attractive to them to pick it up and to use it and that's what we intend to do; to make it an attractive proposition here so that they have no alternative but to pick it up and use it.

Mr. Germa: I don't understand what your research department really does, if you're not going to go into any pure research, other than watch what other people are doing.

Mr. Gilbert: I think, Mr. Germa, you have to appreciate that research has to be done and then, taking that research, you have to go on through the development stage. As the minister was saying earlier, the Ontario Transportation Development Corp. is in a position to carry out the development on any of this. What we are doing, as far as the ministry is concerned, is doing the research in these particular areas and we do have a constant, not only liaison, but a working relationship with OTDC, and if there are areas where, as Mr. Campbell says, industry are not going forward, we can go to the development corp. and get its involvement in it.

Mr. Young: In other words, you would be ready to move forward if this research into the flywheel proves something worthwhile?

Mr. Gilbert: That's right.

Mr. Young: You're ready to go forward with it.

Mr. Gilbert: We can go to the development corporation.

Mr. I. C. Campbell: I think this is correct. We have working relations with OTDC. We do work for OTDC in this particular area as well as the R and D, and they're fully aware of what we're doing. When we have some viable system that can be used, then by all means they should pick it up and proceed with it.

Mr. Young: Since most of the results of this probably will be picked up by public systems, therefore it seems logical we shouldn't wait for the private sector to pick it up but rather we should move forward in the public sector because the public sector is going to be the one that will utilize it and get the benefit from it.

Mr. Gilbert: Certainly one of the reasons for setting up the OTDC was to take that technology, and, if industry was not doing something with it, we would certainly go forward, recognizing the fact, as you say, that most of it is used in the public sector.

Mr. Germa: I just don't think it's as difficult as is let on, to say that this regenerative braking can't be accomplished. I think everything is on the shelf as far as I'm concerned. If you have 100 streetcars running in the city of Toronto, and 10 of them are decelerating, I'm sure there will be 10 accelerating some place else at the same moment; and I'm sure that could be pumped through the system and back into the accelerating streetcars.

Mr. I. C. Campbell: Yes, sir, this is true. We can regenerate electricity. That's no problem: it involves off-the-shelf technology. Most of the train systems do regenerate electricity while braking and put it through a resistor which results in heat. That is what is mostly done right now.

What can be done is to pump that electricity back into the hot rail, but I'm saying that distance is important here. To give you an example, if there is another train, say, two miles away, or even a mile away, that is a lot of distance to transport 600 v. of electricity and that would mainly result in heat in the rail. The train has got to be reasonably close to the next adjacent train to pick up this energy, and it must be accelerating as the other train is braking. If that doesn't occur, there has to be some other system to absorb this energy. In subways particularly, one of the biggest problems is heat; there's heat from braking and heat from rails, and if you heat up the rails that's another source of heat. It's a real problem.

Mr. Germa: We could get into a technical argument here. I don't see why the rail would get any hotter when the electricity is going backward than it was when it was coming forward, because it's an equal amount. It takes an equal amount of power to accelerate a train as it does to decelerate, so the rail is not really overloaded as far as I'm concerned.

Mr. I. C. Campbell: Scheduling is important. The deceleration has to take place the same time as the acceleration; otherwise it does not work that way, sir. It must be precise.

Mr. Germa: I recognize that it has to have some place to go, but we're not talking about one streetcar here and another one there. We're talking about 100 streetcars in the system at any given moment.

Mr. I. C. Campbell: This is so, sir, but when you put energy back into a rail, if you don't pick up the energy within a short distance it results in heating up the rail because of resistance in the rail. If there are 1,000 streetcars five miles away, it would be no use to the regeneration of the electric current from any

particular car; it would just result in heat. Electricity would never get to those cars or the trains.

Mr. Germa: At what intervals is power fed into that rail? How far distant are the points?

Mr. I. C. Campbell: This is a very involved technical discussion. Maybe, we could discuss this privately sir, and go into it in real detail then.

Mr. Germa: Yes, I think it probably is too technical. There are very many little things that I think research should be done on. For instance, a simple thing like an amber flasher light. I'm sure your research department knows that an amber light has $2\frac{1}{2}$ times the intensity of a red light; I'm thinking of warning lights for emergency vehicles. Yet we have pizza trucks with yellow flashers on them, while real emergency vehicles are still fitted with red flashers. Is research not being done into that to determine which is the best colour?

Mr. I. C. Campbell: In effect, it is correct that yellow is more easily visible than red. We are doing no research on that.

Mr. Germa: Maybe this is for the minister then. Taking for granted that an amber flashing light has 2.5 times the intensity of red, why do we protect only red and blue flashing lights by legislation and don't protect yellow? Who is using these yellow flashers? I see them all over. Every pizza truck has a yellow flasher on his roof. Because you see that ahead of any other light, people are getting to disregard what flashing lights mean. They've downgraded the importance of the flashing light.

I think two things should happen here. Maybe the amber flasher should be the flasher for emergency vehicles because it is better seen, and possibly all flashing lights should be barred from the highway by legislation other than for emergency vehicles. It's getting very confusing with these delivery trucks and things like that galloping all over the place with their lights going. You don't know what to expect. When a guy stops to deliver a pizza, why does all traffic have to slow down and cause an obstruction in traffic? You think it's something. Everybody doesn't know that a red flasher is an emergency. People just see a flasher going and they get concerned and cause traffic backups.

Hon. Mr. Rhodes: I think you're absolutely right. As one who was involved in emergency vehicles at one time, it always bothered me that there were so many people who could put these flashing lights on their vehicles. Perhaps, Mr. Humphries would like to comment on that. It's in his area. I think you're right. You get

no opposition from me as an individual, if flashing lights were confined strictly to emergency vehicles of one type or another.

Mr. R. H. Humphries (Assistant Deputy Minister, Drivers and Vehicles): The Highway Traffic Act has for many years protected the use of red lights facing to the front on police vehicles, emergency vehicles, ambulances and that type of thing. There has always been a strong attempt by the ministry to maintain that position. There has always been a strong representation by many various groups for identification, by way of some coloured light on their vehicles, for various reasons.

We also protected the flashing blue light as a distinguishing mark for the snowplough. Over the years, the yellow light has been the light that all these various groups want to use for some identification. Actually there has never been any attempt to control the use of that amber light. That has been the one that all these various people who want some identification have used. Some of them with some validity, some without any validity. The tow truck is an example. There is some need for some identification that the tow truck is trying to reach the point of breakdown. There has never been a real attempt to try and protect the use of the flashing amber light. That's the one that's been used as a sort of a general purpose light for anybody who thinks he should have some special mark in the operation of his vehicle.

Mr. Germa: I can agree with Mr. Humphries. I think a tow truck is an emergency vehicle, equal to a police car or an ambulance.

Hon. Mr. Rhodes: But not a pizza delivery, I agree.

Mr. Germa: Not a pizza delivery or a Kentucky fried chicken.

Mr. Ruston: I had a fellow call me the other day and say that a dog ambulance in Windsor had flashing red and white lights for going to find dogs. He objected very strongly to that.

Mr. Humphries: That would be contrary to the Highway Traffic Act, sir. That would be an offence.

Mr. Germa: I hope the minister will take that into consideration. It's a very minor thing. I'm not sure whether research has to be done into it to determine that.

Hon. Mr. Rhodes: Research is done.

Mr. Germa: As far as I'm concerned it's done, but governments move very slowly.

Hon. Mr. Rhodes: We might shock you on that one.

Mr. Germa: Good. Another safety feature—I don't know how much research has been done—is the use of headlamps during daylight hours. I know there is a strong push on to have motorcyclists drive with their headlamp on for visibility purposes. I would suggest that headlamps on moving automobiles would be of benefit as well.

I think it would eliminate these head-on confrontations we get when people are passing on two-lane highways. If you are approaching, say, a green-coloured car against a green tree background, you don't spot that car as early as you would if those headlights were on. I know it is part of the operating manual of one of the bus companies that the bus shall not move unless the headlamps are on, regardless of the hour of the day or the nature of the day.

I think that is a great safety feature. I would like to see headlamps on automobiles on at all times the car is in motion. I wondered if that has ever been researched or looked at.

Hon. Mr. Rhodes: I don't believe any research has been done by the ministry on that. Again, I take it there are some jurisdictions which have looked into that. I can remember, not too many years ago, when cars started coming out with a single white light on the

hood of the car. I think it was when they first came out with the new style of car which looked as though it was going in both directions at the same time. It was a white light which was put on the hood of many cars; it has simply disappeared. It burned all the time; when you turned the ignition on, the light went on on the front. For some reason, it just disappeared from the market. It was on sale for some time, I recall.

Mr. Haggerty: It is an extra \$75 now if you want it, I guess.

Hon. Mr. Rhodes: Is that right?

Mr. Haggerty: I am kidding you.

Mr. Chairman: Yes, Mr. Ruston?

Mr. Ruston: Mr. Chairman, it is about time to adjourn; I wonder if you could tell me what vote the transport board comes under.

Hon. Mr. Rhodes: The next vote.

Mr. Haggerty: Mr. Chairman, if I am here I follow Mr. Germa, do I?

Mr. Chairman: Yes, Mr. Germa will be the first speaker if he has more questions; you will be next.

Mr. Haggerty: Fine.

The committee adjourned at 1 o'clock, p.m.

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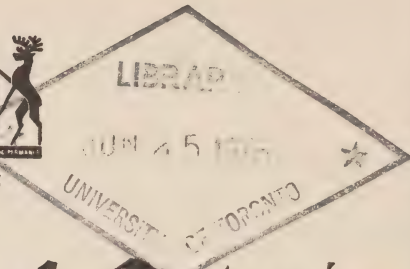
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ESTIMATES, MINISTRY OF TRANSPORTATION AND COMMUNICATIONS

Standing Resources Development Committee

Chairman: Mr. R. K. McNeil

OFFICIAL REPORT — DAILY EDITION

Fifth Session of the Twenty-Ninth Legislature

Monday, June 2, 1975

Afternoon Session

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

THE QUEEN'S PRINTER
PARLIAMENT BUILDINGS, TORONTO
1975



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LEGISLATIVE ASSEMBLY OF ONTARIO

MONDAY, JUNE 2, 1975

The committee met at 3:13 o'clock, p.m.

ESTIMATES, MINISTRY OF TRANSPORTATION AND COMMUNICATIONS

(continued)

Mr. Chairman: Is everybody in favour of going ahead? I will call the meeting to order. We are discussing vote 2302, planning, research and development programme. Mr. Germa was the last speaker. I see he is not here so that puts Mr. Haggerty as the next speaker.

Before we get into that, I would like to advise the committee that we are going to go back to item by item instead of talking about the whole vote; that is after this one is finished. We are in the middle here, having discussed the whole vote at one time, but I think we have to get back to some reasonable procedure, so from now on we will be dealing item by item rather than wandering all over, Mr. Haggerty.

Mr. C. E. McIlveen (Oshawa): We never wander.

Hon. J. R. Rhodes (Minister of Transportation and Communications): Mr. Chairman, I wonder if I might ask the indulgence of the committee for the benefit of those who are on this side of the affair: Could we start on vote 2302 and do it item by item, quickly? I know many of them have been discussed but perhaps we can deal with them and get them over with. I wonder if the committee would agree, Mr. Chairman, to dealing with it that way?

Mr. Chairman: I don't care. All right.

Hon. Mr. Rhodes: Mr. Chairman, we could deal with programme administration at this time and if it's the committee's wish we could move on.

On vote 2302:

Mr. Chairman: All right, item 1, vote 2302.

Mr. R. Haggerty (Welland South): I was waiting four or five hours on Friday—

Mr. Chairman: Mr. Haggerty, do you have any questions on item 1?

Mr. Haggerty: I don't know why it is, but every time I start on a vote I've got to stick to one particular item, 1, 2 or 3. The rest of them—

Mr. Chairman: We talked all around it.

Mr. R. B. Beckett (Brantford): That's a good question, let's move on.

Mr. Haggerty: If you're going to have rules, have rules but if you're going to—

Mr. McIlveen: That's a very good question.

Mr. Haggerty: Very good question, indeed; I suppose I'm on programme administration.

I am a little bit concerned, through you Mr. Chairman, to the minister, concerning the policy set out in this particular vote dealing with planning. This is where you designate a roadway for highway purposes. I'm thinking particularly of Highway 3 which has been designated by the ministry and involves a number of acres of land.

Mr. Chairman: Mr. Haggerty, I think that would be item 2.

Mr. Haggerty: Item 2?

Hon. Mr. Rhodes: Yes, under planning.

Mr. Haggerty: Planning, yes, but this is policy that I want to get at.

Hon. Mr. Rhodes: It's policy under the planning area. I wonder if we can say that item 1 of the vote is carried and we'll go right into your problem?

Mr. Haggerty: All right.

Mr. Chairman: Item 1 is carried. All right, go ahead on item 2.

Mr. Haggerty: May I continue then? This deals with policy under planning on item 2. The ministry has designated a highway, and I will speak particularly of Highway 3. At the tunnel crossing, at Port Colborne, you've designated the right of way as a highway; you continue west into the township of Wainfleet and you've designated the new route there as a highway.

It concerns me when you designate a particular road under the terms and the power the

minister has under this particular item. Property is hampered for a number of years and persons can't develop it. For example, in Wainfleet—I've written to two members of your staff concerning this particular item—the Ministry of Transportation and Communications has said: "We will not allow you to build a home on that property."

It could be 25 acres or it could be 50 acres. Perhaps it is to control access to this road, which will be built in 15 or 20 years or something. Who knows when that's going to be built? I wonder if it's right to tie up property for that length of time. When you do say you'll purchase the land from the owners, what is the ministry going to do with that land? It could involve a large acreage.

Hon. Mr. Rhodes: Mr. Haggerty, I think that is a problem, but we aren't able to find out how we can possibly do this in a better way. We feel there is a very great onus on the ministry to designate the area so that people will know where the particular facility is planned to be built. You're absolutely correct that when we designate the highway we take it off the market, if you will—

Mr. Haggerty: That's right.

Hon. Mr. Rhodes: —and eliminate particular uses of it. The only answer we've had in an effort to resolve some of this has been advance purchase. That, of course, is always limited by the availability of funds, as you can appreciate. In some cases we have made advance purchases, but we've tried to keep that to only instances when people have come to us and asked for advance purchase; and in many cases only when there was some specific need indicated.

When we designate it, that doesn't mean at all that the land values have been frozen—we still pay the current value at the time of acquisition. If the land is to be purchased in the future, the land is certainly purchased at its value at that time.

I'll let Mr. Gilbert comment on this further. It is a problem of how we can designate where a highway will go so that the people in the community know, for planning purposes or for whatever purposes. It is essential they know where that facility is to go. We don't know how else to go about doing this in a fair and equitable way for everyone.

Mr. H. F. Gilbert (Deputy Minister): As the minister says, we have had complaints about this over the years and we have continually looked at other ways of doing it. We have an active group right now with lawyers from outside—at least one well-known lawyer—who

have complained about it, sitting on a committee consisting of people within the ministry, trying to come up with possible alternatives. To date it seems impossible.

In other words, you've got a situation in which people could come in and very rightfully complain if, knowing full well we intended to put a highway through from A to B, we allow a large building to go up. They could then turn and say to us: "Why didn't you advise us?"

We have gone to the point of advertising it over the last three or four years. We used to get complaints that although they were registered in the registry office no one knew anything about it. We now advertise it in the paper; and of course we still register it. We do everything to let people know it is to be there.

As the minister says, if someone using the land continues to carry on with the same land use there is no problem, because when we require that land we will negotiate to purchase it at the market value at that particular time. In other words, we don't downgrade the value of the property. But we feel there is a responsibility on our part, when we know a line is going to go through a certain area, to go ahead and designate it and let the township and everyone else concerned know that is the line we intend to protect.

Also, I might add, the senior staff within the ministry review the designations every so often to make sure that if any changes are taking place on planning in that particular area, we would lift the designation or make whatever change is necessary.

Mr. Haggerty: It's a land grab by the ministry. There is no recourse for the property owner to appeal. You don't expropriate the land, so he has no recourse whatsoever.

In many cases—there are four of them in the township of Wainfleet—they bought the land for the purpose of building a home. I am talking about 10, 15, up to 20 acres of land. They abide by the planning of the municipality, and all of a sudden their right to build has been removed by the province's decision to designate this as a highway; and it could be 20 years away.

By the way, when is this transportation study of the Niagara region going to be completed? This is about the fifth that has been done on that area in about seven years. This is the latest one, the Niagara region study.

Mr. G. H. Johnston (Executive Director, Planning Division): The completion of the Niagara transportation study is conditional on

completion of the official plan, which is under way by the regional municipality.

Mr. Haggerty: I am sure that plan has already been completed. It is before government officials over here now for final approval. Each local municipality has an official plan now and they are in agreement with the region official plan. So there shouldn't be any problem there.

Mr. G. H. Johnston: We are in the same position. We are just waiting the formalization of approvals and so on. So our plan is basically completed as well.

Hon. Mr. Rhodes: Another point I should make: The member used the term "land grab". Certainly to those who own the property, I suppose this appears to be happening; but really, nothing is done in secrecy. Public participation meetings are held in the area; the municipalities are certainly well aware and are given opportunities to be involved. We don't just walk in quietly in the night and designate the area and then say they have had it. Before any designation is made there is public participation; there are meetings; there are notifications sent out. So there is certainly knowledge ahead of time and an opportunity to influence the route that is going to be followed.

In many cases we will have four or five, or as high as eight different possibilities. We try to get these down to one particular area that is reasonably compatible with the planning aspirations of the municipalities. And we try to give ample opportunity to the public whose lands would be affected to be there and voice their opinions too.

Mr. Haggerty: I am well aware of the number of meetings that have been held in the municipalities of the city of Port Colborne and the township of Wainfleet concerning this new proposed Highway No. 3. The residents have been very co-operative on the studies that have been carried out, but they are not aware of this word "designation". Once you designate it as a highway it removes their rights, and that is what I am alarmed about. Their rights have been taken away and I am suggesting there should be some recourse.

If you are 20 years away from constructing that highway, surely you can't tie up that land, saying you will buy it at some time but—

Mr. Gilbert: They cannot change their use of it. I think what you are talking about is changing the use of the land, is it not? In other words, the lands that are there are still carrying on in the same way as they were; it's when they

want to change the use to something else, of course, that the difficulty could arise.

Mr. Haggerty: All they want to do is build a home, and to do this they want a culvert across your proposed right of way, and this is what the MTC—

Hon. Mr. Rhodes: I think the particular case you are referring to is a different situation from what normally happens, where we go in and designate a route, through virgin land if you will. In the particular area, you are talking about, there is a township road.

Mr. Haggerty: That's right. It's already there, and you are taking that over.

Hon. Mr. Rhodes: What we are saying is that the highway should go down the existing township road and, as a result, people who are abutting property owners are asking for access to that road; that's what is causing the problem there. I don't like to use the word "unique," because it probably occurs in some cases, but it is a very rare occurrence when we have this particular problem.

I don't know what the solution is. I don't know what we'd do if you came along, Ray, and we said: "Fine, here's your access; you can build." You know full well that once a person has an access on to that road, when we come along to build the highway, then all such accesses would have to be permitted on the new facility as well. As a result, we would lose our control of access and the safety factors on the highway could be impeded by the fact we would have so many entrances onto the highway.

Mr. Haggerty: I can't see how you are going to make this a controlled-access highway in the first place. It's now a four-lane road from Fort Erie to Gasline, about three miles east of the city of Port Colborne; and it was built four lanes wide to handle the traffic going to the lakefront. You are going to have all kinds of access on that highway, so it's not going to be controlled access.

If you had stuck to the principles that had been set out by your predecessor, I would quite agree with your views on it. But I don't agree when you remove the rights from it. In addition, I don't know if you are aware of the development that is taking place around that community. By your stalling on the development of this road, you are allowing developers to move in there; just by coincidence, before you designated the right of way as a highway, developers had already moved into the area.

Mr. Gilbert: I mentioned earlier that we do review these designations—and you are quite

right that in some cases we designate and then we find out, as you say, that it is impossible and that we are not going to get the control of access we hoped to get out of it.

The only other solution in cases like this would be to look at it and, if we feel strongly enough about it and it is a hardship case, we might have to buy it out. In other cases, we might have to grant the entrance, knowing full well that we are going to let the people know within the planning period, as you say, that we might have to buy out that particular property or make other arrangements as far as their entrance is concerned.

This has happened in some cases where there is alternative access to the property through some other road. Sometimes we can let them go ahead and put in their building, knowing full well that we are going to have to close off that entrance once it goes to a controlled-access highway.

Mr. Haggerty: Even farmers who are farming the land at the present time and who want another culvert along the existing road, which you might say is still a township road, are refused an extra culvert by the township. "Our hands are tied," is the answer they get.

Mr. Gilbert: We have certainly got to look at that, because there is certainly no intention of restricting that kind of use. What we are concerned about is the changing land use in these particular areas where you go into residential or commercial or what have you. But if it is some already existing owner who wants another entrance for farming use, as you say, then we have certainly got to look at that, **Mr. Haggerty.**

Mr. Haggerty: The other matter is, once the letters have gone out and you have said: "We'll buy this land from you," what do you intend to do with that land? Do you intend to turn it over to other branches of the government, such as the Ministry of Natural Resources for conservation purposes?

Hon. Mr. Rhodes: I think what we like to do, which is usually most convenient for everyone involved, is to acquire the land from, say, the present owner and then lease it back to him if he wishes to retain the use of it for, say agricultural purposes. If there is a building on the property, we allow them to lease it back and remain on it for the time being, but in fact we acquire the land from them if they wish to sell. We don't usually turn our properties over to any other ministry, because frankly we don't want to be in a position of having to go back to them to get the land later on.

Mr. Haggerty: I want to read a letter and put it on the record. This is from the minister:

This is in reply to your letter of April 29, 1975, on behalf of Michael Woronchok of Ridgeway, Ont., who is interested in purchasing ministry-owned property which adjoins his farm.

It is the ministry's policy, when disposing of surplus lands, to contact the Ministry of Government Services to ensure that the lands are not required by other government agencies. In this case, the Ministry of Natural Resources requested that the property be transferred to their jurisdiction for woodlot and wildlife management purposes. As this is an intergovernmental transaction, there will be no payment involved.

Hon. Mr. Rhodes: That applies where we actually own the land and are in a position of disposing of it. Our usual procedure is to do so by auction. But prior to disposing of it, we will contact other government agencies and ministries to determine whether or not there is a public use in which that land can be retained.

We have it, therefore it is publicly owned land. Rather than turn it back to private ownership only to have another ministry have to go through the procedure of acquiring it again for public purposes, we will check with the other ministries to see if they do have an interest. If they do, then we would deal with the land for public purposes through another ministry. This applies when we own the land already and are in the process of disposing of that which is surplus to our particular needs.

In the case of acquisition of land for highway rights of way, if it is not surplus to our needs but is not ready for development at this stage, then we would lease it back to the owner, if he so wished, to use for whatever purposes he wanted until such time as we had to take possession.

Mr. Haggerty: In this particular case, the ministry had purchased around 75 acres of farm land and used about 10 acres to put in a new curb or make improvements on Highway No. 3. This farmer was interested in purchasing the land and made inquiries through your ministry. I can't recall the person who was down visiting, but he left the impression: "Well if you're interested in renting or purchasing it, we have to advertise it"; at which time the original owner would have first choice.

Hon. Mr. Rhodes: That's right.

Mr. Haggerty: He was waiting for the advertisement to come out in the paper and it never did. So now it seems to be going to the con-

servation authority. I don't know if they have finalized the transfer or not, but he was still interested in purchasing about 60 acres of land.

Some of it is good farm land. If the conservation authority gets it, I don't know what they are going to do with it since they already have all kinds of land through that region they should be developing.

Hon. Mr. Rhodes: I can't comment on that. All I can say is that when we own land, it is publicly owned. If it is surplus to our needs, then we ask other ministries if it should remain in their ownership for their purposes. If not, then we go through the procedure as outlined. We offer it for lease or sale; and we have to go through the advertising process, calling for bids and tenders on it.

Mr. Haggerty: This man's farm fronts well over half a mile along the regional road, and you know the powers they have. I think the regional policy is to go out and widen the roads to 120 ft. So his complaint is they'll take 60 ft off his farm land, so he is losing valuable acreage and can't make up for it any other way. He raises the point there should be some recourse.

Hon. Mr. Rhodes: Sure, but all I can say to you is if no other ministry had shown any other interest in that property then we would have gone ahead and disposed of it in our normal manner and he would have had an opportunity to acquire the land for his purposes.

I am simply saying it would be folly on our part, and I think we would be subject to some criticism, if we had land in public ownership and we let it go back into private ownership when another ministry needed that land for whatever purpose. I'm not to judge whether they really need it or not—

Mr. Haggerty: There are about four acres of young bush there, new growth; that's about all. If they are interested in maintaining it for forestry development that should be sufficient for them; but to take good farm land—and land is getting scarce for farms—and say they will give it to another agency; well!

And what are they going to put into it? Maybe some evergreens or something like that, and let it grow up into brush. Nine times out of 10 it will be burned off later on anyway by a cigarette somebody threw out from a car and that's the end of it.

Hon. Mr. Rhodes: I have no idea what the other ministry may want to use it for. I'm simply saying to you I think we would be subject to some criticism—probably justly so—

if we turned publicly owned land back to private ownership only to have another ministry come along and, for good and valid reasons, need it for public purposes and have to re-acquire the land, perhaps at an inflated price.

Mr. Haggerty: There was no purchase by the Niagara Peninsula Conservation Authority or from the Minister of Natural Resources. If they're going to get something for nothing, they're going to grab it for sure; there is no argument about that part. Any time they can get land for nothing they'll take it.

Mr. Gilbert: I have mentioned to Mr. Haggerty that when we acquire land and we have to expropriate land, we can expropriate only the actual land we need. What we end up doing is acquiring it by two deeds. If the owner says we can take the surplus of 40 acres or 50 acres or whatever we are talking about, we buy it by a separate deed; which is the same way as you or I or anyone else going out into the marketplace would buy it. Really, in effect, the title for the land is turned over to the province. It was acquired on the basis it was surplus to our needs at that particular time.

Mr. Haggerty: I question the purchase of the 70 acres; you could have taken what you required for highway improvements in the area. To go out and buy all that excess land and have it lie there for almost 10 years—then all of a sudden you say: "We want to dispose of it"; and it's gone.

Hon. Mr. Rhodes: That is not such a bad thought, but you have to be sitting in our seat some time to recognize that when we go in and say to someone all we need of their property is so many acres or so many feet, the person who is the landowner will throw his hands up in despair and say: "No. If you take X number of feet off me you completely destroy the viability of my operation. If you want it take it all." In order to avoid the confrontation, in order to avoid the local member from coming in an accusing us of creating all kinds of hardship, we do buy it all. The philosophy is we can retain it in our ownership and, once our needs have been met, offer it for sale as we've indicated, even giving first offer to purchase back to the original owner, or offering it for sale on the open market through bids and tenders. We can't do it both ways.

Mr. Haggerty: This particular farmer was hoping this would be advertised in the paper and he would have an opportunity to bid.

Hon. Mr. Rhodes: If no other ministry had been interested in that property for public purposes we certainly would have done that.

Mr. Haggerty: What you have actually done is put it under the Niagara Peninsula Conservation Authority; you haven't, but the Ministry of Natural Resources has. It removes taxable land from the community.

Hon. Mr. Rhodes: No, the conservation authority pays taxes.

Mr. Haggerty: Yes. It is a pretty heavy tax levy they charge throughout the region to help support this.

Hon. Mr. Rhodes: The authority pays taxes.

Mr. Haggerty: I was questioning it here because I know the Ministry of Government Services has advertised the farm land bought in that area. They want to lease it or are leasing it. In some cases, perhaps they may want to sell it.

I thought that was a policy set here. In disposing of all government lands, surplus lands would go through the Ministry of Government Services and a private person interested in it would have an opportunity to purchase it at a fair price, competing with a government agency. I don't think they should get it for nothing. Somebody had to buy it in the first place, and of course that's the taxpayer.

Hon. Mr. Rhodes: It may well be that's going to be the procedure we will be following, going through Government Services. Even if we were, Government Services would still follow the same procedure. That is, to inquire of other ministries whether or not there was public need for that particular land before they would dispose of it, either by lease or sale. To me, that makes reasonably good sense. If it's in public ownership and it's going to be needed for public ownership, why go through the procedure of giving it up and going around the Horn again.

Mr. Haggerty: The two cases I submitted to you this afternoon could well mean that you could remove five, six or even 1,000 acres of land out of farm production for a designated highway. I think that land should remain in farm production. If you keep on giving it to some other agency maybe all our land will disappear for farm production in Ontario.

Hon. Mr. Rhodes: I can't determine what the needs are, or the aspirations of the Ministry of Natural Resources. I can only say that if they come to us and say they need it for public ownership we allow them to acquire it. If there is a quarrel with their usage I think it should be taken up with them.

Mr. Haggerty: Then I think we are on the same thought. Perhaps there is room for a

compromise here. When you designate a particular site for a highway you could review it, say every five years, based on the need; and adjoining property owners could have an opportunity to ask just what your intentions are and if their land is going to be held for 20 to 25 years.

Hon. Mr. Rhodes: That's exactly the idea; you keep it under review. We are willing to openly admit circumstances could change all of a sudden. Something could develop in the area that would mean that particular facility should not be there. So you would review the situation and release the land back for whatever use can be made of it.

Mr. Haggerty: When you designate a particular site for a provincial highway, do you keep tabs on the present property owners in the area, I mean who owns it? Do you watch for the developers moving in? You know when the time comes they say they want to purchase the land. What do they call it? Checkerboarding, I guess.

Hon. Mr. Rhodes: Yes.

Mr. Haggerty: The same firm or the same company of brokers can go in and buy the land under a different name; and then two months later they transfer it to another name, and then another name; and the first thing you know they have the price up four times as much, or maybe 10 times as much as the original price of the land. Do you watch for this type of shenanigan?

Mr. Gilbert: If someone acquired that land you couldn't very well stop them. But if they apply for a subdivision—I think perhaps you are aware they have to apply for the subdivision—and every ministry has an opportunity to say what should be there and what-have-you, and at that time, certainly, the type of thing you are talking about is picked up.

Hon. Mr. Rhodes: I think the other fear I would have on that, too, is just as you have indicated—the problem of designating the land and preventing the owner from perhaps doing some of the things he would like to do. If we at the same time were to take away his right of sale to anyone, then I think we would be in for more than just a little criticism. If the owner of that land, who cannot carry out his particular desires finds someone who is prepared to buy it and sit on it for 20 years—or whatever the time frame—and we prevented that sale, then I think we would be in for really severe criticism in really infringing on his rights.

Mr. Haggerty: I suggest there is one particular site east of the city of Port Colborne where

you have just designated the route of a provincial highway, on which you should keep the name of the firm—John Rose Investment—I think it is.

Mr. Gilbert: John who?

Hon. Mr. Rhodes: How do you spell the last name?

Mr. Haggerty: John Rose.

Hon. Mr. Rhodes: R-O-S-E?

Mr. Haggerty: That's right.

Hon. Mr. Rhodes: Rose, not Rhodes; I am not an investment company, I can tell you that.

Mr. Haggerty: Just keep an eye on it and you'll see development has taken place in that particular area. I think you are going to see that when the time does come to purchase there is going to be an enormous price tag put on it, because you can see it's the same person behind the scenes who has the three different companies.

Hon. Mr. Rhodes: That's a problem, I am sure, that we have to face. As far as an enormous price tag is concerned, we will attempt to deal with any property owner on a fair and equitable basis, and if we think the price tag is out of line, we are not going to pay it. We will go through the usual procedures, which in that case would be expropriation.

Mr. Haggerty: On the other matter, about the traffic study carried out in the regional municipality of Niagara by the MTC, when is this report due? You said as soon as the official plan comes in, I understood.

Mr. G. H. Johnston: Yes, our reports are basically at the same stage.

Mr. Chairman: Excuse me, would you identify yourself please? Hansard are having a little problem here. Would each member of the staff, before they speak, identify themselves for Hansard?

Mr. G. H. Johnston: I am Johnston from the planning division. The study is basically complete. It is ready to go before the ministry now for consideration. Our recommendations have been developed.

Mr. Haggerty: I understand. It's complete and just waiting for your John Henry to be put on it. We can expect that almost any time then, if not sooner?

Hon. Mr. Rhodes: It isn't going to take long, it's been waiting too long now.

Mr. Haggerty: I suppose this will take in all future plans on Highway 406?

Hon. Mr. Rhodes: Yes, I think all the transportation proposals in the area will be coming forth at the same time.

Mr. Haggerty: And this will tie things in from the city of Port Colborne to the city of St. Catharines on a direct route to the Queen Elizabeth Way?

Hon. Mr. Rhodes: That's the intention.

Mr. Haggerty: It will be interesting to see that report then, won't it?

Mr. B. Gilbertson (Algoma): But I understand you're still waiting for the official plan.

Mr. G. H. Johnston: Yes, our recommendations must be tied in with the recommendations of the official plan so we support one another.

Mr. Haggerty: The tunnel site in the city of Port Colborne has been almost 10 years in the planning stages, I believe. You've had a number of public hearings in the city of Port Colborne and throughout the region concerning this particular site to connect with the No. 3 Highway from Buffalo to Detroit and from Fort Erie to Windsor. At what stage are you now? You have it designated as a right of way for a highway. You must have all the site plans completed. What about the construction plans themselves? Are they on the drawing board at all? Where are they buried anyway?

Hon. Mr. Rhodes: I'll let Mr. Bidell answer that one.

Mr. W. Bidell (Assistant Deputy Minister, Planning and Design): Mr. Haggerty, as you know, the alignment has been a subject of a great amount of study over the years. I think that we now know, when the tunnel is built, where it will go so that the municipality can properly plan their development. In so far as precise plans for proceeding with construction are concerned, we do not have any at this time.

Mr. Haggerty: Do you mean it's been 10 years now since you started this and there are actually no plans at all for the construction of the tunnel?

Mr. Bidell: You must keep in mind that this is a joint project with the federal government, through the St. Lawrence Seaway Authority. We do not have any unilateral control as to when we proceed with construction. There has to be mutual agreement as to priority, between the federal government and ourselves, as per the agreement we now have with the St. Lawrence Seaway Authority.

Mr. D. C. MacDonald (York South): That will be in the year 2000.

Mr. Haggerty: The year 2000; that's what I'm afraid of. I am well aware of the agreement between the province and the federal government and the St. Lawrence Seaway Authority and I understand that that agreement has been signed. It's just waiting for some person or some department head to bring forth these plans. It's been 10 years. You've designated the highway through that corridor, and you're telling me it could be 20 years away too?

Hon. Mr. Rhodes: One of the things we don't have is any indication of what priority is placed on that tunnel by the federal ministry. They have given us no indication where they place it on their priority list.

Mr. Haggerty: The priority lies, I think, with the city of Port Colborne, that's where the priority lies; and with the residents of that area.

Hon. Mr. Rhodes: There could be a few more.

Mr. Haggerty: I was hopeful that when you were in the area you would be hung up by the bridge.

Hon. Mr. Rhodes: I was, twice.

Mr. Haggerty: They should have hung you up higher!

Hon. Mr. Rhodes: If you're going to hang me up there I'm going to have Jean Marchand by the long hair, too.

Mr. Haggerty: Maybe we'll make it a double event then, with both of you hung up there. There are two bridges and you can argue which bridge you want to be strung up from.

Hon. Mr. Rhodes: Just as an aside: When we were talking about the tunnel with some of the people in the area I was surprised there are those who aren't that enthralled with the idea of the tunnel. They rather think it should be a bridge now.

Mr. Haggerty: I've heard this argument about the third bridge too, and I can't quite agree. They used to dock or tie up to the locks at one time; now they are walked through when the gates are open. For instance, going down the canal the linesman will walk the bank of the locks and hold the heaving lines. Sometimes it takes a half an hour to go through.

While the ship is advancing the locks behind close and the ones ahead open up. The jack-

knife bridge is raised at that time, too, so the ships actually don't stop.

If you put the third bridge at the other end of the lock—it's the longest lock in the world, maybe 1,100 or 1,200 ft—that means the third bridge will be up, too.

So I think a tunnel is the answer. I suppose if I had my way, in designing the road in the first place you would have taken the advice of members of the Bertie council who at one time suggested the tunnel should be located up near the Robin Hood mill and the highway should not have the curve between the town line of the cities of Port Colborne and Fort Erie. It should have gone straight through on that concession road and you would have had no problem at all. But for some unknown reason they wanted to bring it right downtown; and perhaps that's where the bottleneck is. I'm amazed there's nothing on the drawing board yet for the actual design of the tunnel.

Hon. Mr. Rhodes: I can sympathize with you, having sat in my own municipality for many years waiting for the bridge that would go across the St. Mary's River. If it takes as long—

Mr. MacDonald: St. Joe's?

Hon. Mr. Rhodes: I beg your pardon?

Mr. MacDonald: That was half a century, St. Joe's.

Hon. Mr. Rhodes: St. Joe's, it was a half a century getting that one. But the other one across the St. Mary's River took, I think, almost as long.

Really, our position is simply this, that if we can get some priority indication—and I'm not disputing the priority the people in Port Colborne put on that tunnel, I know what it is.

Mr. Haggerty: The reason I bring it to the attention of the minister is that since the completion of the new Welland Canal, the new cut, the quarry industry, the trucking industry, is almost flat. There's nothing doing in that particular area. This project, of course would create employment in that area. When you check with Canada Manpower in the city of Port Colborne, there are some 2,000 people registered with Canada Manpower looking for employment; and there are the same number in the town of Fort Erie. I never checked with Welland, but I imagine there are a number of persons seeking employment there too.

Some type of development like this, a government development, would certainly aid the employment situation in that area, and it is rather serious.

I suppose I could go on about the Port Robinson bridge, which I think is another important crossing of the canal. This was damaged by the steamer, the Steelton I guess it was that hit it. It was damaged so badly it couldn't be repaired; and of course this causes a hardship for the community of Port Robinson.

I know at one time, as chairman of the county roads committee, I knew the St. Lawrence Seaway Authority recommended that bridge be removed and they proposed a tunnel at Highway 20. I suppose, again, here is another tunnel that was discussed some 10 or 15 years ago and still there is nothing definite as to when you are going to commence construction. It's rather important too.

When I sit back and look at the situation at Port Robinson—that's in the riding of my colleague the member for Welland (Mr. Morningstar)—it causes undue hardship for that small community.

Had I been smart enough at that time, I think the whole village, with about 70 or 80 homes, should have been bought out by the St. Lawrence Seaway Authority and relocated. They're left out in no man's land now. The old canal is still there and the new canal, farther east, has certainly put them into an area where you might say they can't get in or out.

What did you do with that ferry up at St. Joseph's? It could be used down there.

Hon. Mr. Rhodes: Mr. Adcock can answer that one.

Mr. Haggerty: The point I want to raise with the minister is that I strongly believe the St. Lawrence Seaway Authority is obligated to replace that bridge. One excuse is the insurance on the steamship didn't cover it. I hope that with any other bridges the province owns they do have insurance that covers the replacement of a bridge.

Hon. Mr. Rhodes: As far as the Port Robinson bridge situation is concerned, I think our position has been made quite well known to the people in Port Robinson. I must say that in the discussions I've had with the people they've been reasonable. They have not been unreasonable at all.

They do have a very serious problem. The delegation I met from there indicated some of the hardships they are faced with, having to go back and forth across that canal in order to get to the only banking facility, which is a credit union.

Mr. Haggerty: The fire hall as well is just across the east side of the canal.

Hon. Mr. Rhodes: Pensioners have to go around by taxi to get their cheques cashed, it's just not a good situation. But as I've said in the Legislature and say again, one of the things I just am not going to accept is that an agency like the St. Lawrence Seaway Authority, which has a responsibility to provide a crossing there—it is their responsibility—attempts to dump that into the lap of the provincial government. It is their sole responsibility to replace that crossing.

When I wrote to the federal minister asking that he intervene on behalf of the people to see that the crossing be put back into operation, the reply I received was that the St. Lawrence Seaway Authority have no intention of re-instating bridges, that they want, in fact, to take down existing bridges.

Mr. Haggerty: They wanted an expressway in that canal.

Hon. Mr. Rhodes: So what they are going to do is not put the bridges back up. They are supplying a ferry service, but I am not familiar with how adequate it is. The responsibility to replace that bridge, as you have indicated, is entirely in the hands of the St. Lawrence Seaway Authority.

I say this with a degree of qualification because I don't know what our insurance picture is, but, by God, if they didn't have enough insurance to replace the bridge that was knocked down by the ship, then I think somebody wasn't really doing their particular chore adequately.

But I don't think that it is even reasonable to expect the province to assume this responsibility because the St. Lawrence Seaway has abdicated it.

Mr. J. E. Stokes (Thunder Bay): Maybe Marchand doesn't have a policy on that either. He doesn't on most other things.

Mr. Haggerty: Since the bridge is down then, how soon before you are going to be onto the development of that tunnel at Highway 20?

Hon. Mr. Rhodes: The tunnel at Port Robinson—and I almost hate to use this word—certainly is not as high on the list of priorities, if I can say that, as the one at Port Colborne.

Mr. MacDonald: The year 2100.

Hon. Mr. Rhodes: The year that Donald MacDonald becomes Premier.

Mr. P. Taylor (Carleton Place): Donald S. MacDonald.

Mr. Haggerty: I thought perhaps the St. Lawrence Seaway Authority had an obligation

to place some type of a crossing over the canal.

Interjection by an hon. member.

Mr. Haggerty: They may want to throw in a little extra money and get on with the construction of the tunnel within that area.

Hon. Mr. Rhodes: I have found from experience that extra money doesn't find its way into the Province of Ontario from the federal government.

Mr. Haggerty: Particularly from the St. Lawrence Seaway Authority.

What happens on the relocation of the new Welland Canal where all the new roads have been constructed by the St. Lawrence Seaway Authority? They built a number of them, including overpasses over the new Townline tunnel—that's the one with the rail crossing—and other overhead passes above the different connecting links and regional roads. I understand they are almost ready to turn that property and all the overpasses back to the regional municipality of Niagara, which in the long run I suppose is where the province will come in and have to pick up the maintenance on these new roads in the future years. Of course the Seaway Authority built Highway 140 and they have that responsibility also.

But what happens when property was purchased or was taken over by the St. Lawrence Seaway Authority through expropriation and there has not been a satisfactory settlement with the property owner? Whose responsibility will that be after they turn all the connecting road links over to the region?

Hon. Mr. Rhodes: This was property expropriated by the Seaway Authority?

Mr. Haggerty: This is right.

Hon. Mr. Rhodes: For highway purposes? It would remain in their ownership, anything that would be turned over to the region. As I understand it what would happen there is that the road allowance—and that in fact is the highway or road or regional road—would become the responsibility of the region, but any other property—

Mr. Haggerty: This is property they expropriated for road purposes and there has never been a settlement with the original owner.

Hon. Mr. Rhodes: They have to complete their settlement under the Expropriations Act.

Mr. Haggerty: That's before the region can assume the responsibility, is that it?

Hon. Mr. Rhodes: No, the region can assume responsibility for the road and can take over the road. I am assuming the only problem with that land would be the compensation to the previous owners, and that can be resolved even though the land or the right of way, may be turned over to the region for their administration by agreement. The final compensation is a matter that can still carry on and be resolved, and I would assume the St. Lawrence Seaway Authority would have that responsibility.

Mr. Gilbert: They couldn't get out of it by law, I don't think.

Hon. Mr. Rhodes: Yes.

Mr. Haggerty: No, but there are other complications on that expropriation. This particular piece of property is the Albano property, RR No. 4, Welland, and it's just over—Nettle's Crossing, I guess, is the term they use. Oh three different occasions they have had their property expropriated, twice by the former county of Welland and most recently by the St. Lawrence Seaway Authority. Their property has a good width, but the depth has now been cut to almost 45 ft and they're having some difficulties with septic tanks. They also have the difficulty, being almost at the edge of the overpass, that their living room is only about 10 ft from the road.

Hon. Mr. Rhodes: This is where we come back to what I was saying to you earlier, that all the properties should have been taken if you're going to cause that discomfort and hardship for people. That's one of the things we do on occasion. We are asked why we buy so much. That's one of the reasons; to get these people out of those circumstances. We buy it all and perhaps put it to some other use.

As far as the expropriating agency is concerned, if it is the St. Lawrence Seaway Authority then they have a responsibility to settle the final claim. They are the agency which carries out the expropriation, so it's their responsibility to settle the claim. If they're that close to a roadway, I'm assuming they will be discussing that matter in depth.

Mr. Haggerty: Their front steps are about three feet from the edge of the road allowance.

Mr. Gilbert: And they've never settled?

Mr. Haggerty: Never settled. Well they offered them, originally, \$16.05 I think it was. The property runs on a kind of wedge they've taken off. But when the person has to back out of his driveway, he isn't going to—

Hon. Mr. Rhodes: Was there a hearing of necessity?

Mr. Haggerty: No, not under the federal Expropriations Act, no.

Mr. Chairman: Gentlemen, I think we're straying away off the vote here. We're talking about the St. Lawrence Seaway Authority which really has nothing to do with this particular vote.

Hon. Mr. Rhodes: I couldn't agree more, but they could sure use some planning.

Mr. Chairman: Well yes, maybe they could, but—

Mr. Haggerty: It deals with planning; if you could see how the roads have been cut up in that area and the planning studies that were done before this new channel constructed by the St. Lawrence Seaway Authority threw out all the planning in the whole region. This is one of the reasons you have this other study coming up. I suppose by the time you get down—

Mr. Stokes: Has Benson got anything to do with this?

Hon. Mr. Rhodes: The NCC.

Mr. Haggerty: —to the north end of the canal where the St. Lawrence Seaway Authority has proposed new locks and so on, it's going to change the pattern of the roads in that area as well. For your information, Mr. Chairman, I'm sure the overpass at St. Catharines will disappear. That's one of the proposals, is it not?

Hon. Mr. Rhodes: What you're finding in your area is something similar to what Mr. Taylor was referring to last week, the question of over-government. In his case he's got the NCC and in your case you've got the St. Lawrence Seaway Authority.

Mr. Haggerty: If you're going to have planning in the region, which they do have now and have had in the local municipalities, I don't think any government, whether it's provincial or federal, should have the right to just fly over it in an aircraft and say: "This is what we want." I think there should be a hearing of necessity before they get into the construction of some of these things.

Hon. Mr. Rhodes: With the greatest of respect, that is a debate you should be having with the federal government as to their expropriation proceedings. As you know, that is not the case in the province. We do have hearings of necessity. We do work closely with the regions; with their planning people and their engineering departments; with their county roads committees. We do work very closely

with them in establishing highways, road patterns and road systems. We have an interest in that, certainly, to tie them in with the provincial needs. At the same time, we have a very great interest in the amount of subsidy dollars required.

If you want an ally in asking the federal government to bring their Expropriations Act into the modern era, you have one.

Mr. Haggerty: Good, I'm glad to hear that. That's all I have on this one.

Mr. Chairman: Mr. Germa did you have some questions on item 2 in this vote?

Mr. M. C. Germa (Sudbury): Yes. I want to go back to the minister's statement of a few minutes ago when he said it is the custom of the ministry to take all the land, when you see hardship imposed upon a person by peeling a strip off his property. I presented you with a document last Friday, together with photographs, having to do with Mr. James Dunnett at the corner of Highways 52 and 99.

The photographs indicate quite clearly that what was once a nice, beautiful, protected home—protected with trees and shrubbery—is now exposed to a major highway both on the north side and on the west side. Apparently land was peeled off the north side and off the west side of the lot and you now have just a naked house sitting on the corner. I also understand that the other three corners of that intersection were bought out completely. Rather than do the same with Dunnett apparently you just peeled off certain strips of land on Highways 99 and 52.

Now I would like to ask why this person was apparently treated differently from the other three people at that intersection. I understand that at no time has the ministry made an offer to take all of the property off his hands, despite the fact that he has indicated he would be willing to have it bought. The residence, as a residence, is really not compatible with decent living any more.

Hon. Mr. Rhodes: Perhaps I can give some response, Mr. Germa, to the questions you have put to us.

One of the questions was why did we not buy out the property originally. At the time of the initial acquisition, it didn't seem to be too severe. There were two parcel takings—one was taken in 1970 and one in 1972—one for each highway.

Then you asked if he had ever asked to be bought out. He indirectly asked the question. He was asked to submit his request in writing. He did not, except for his reference to a buy-

out in his letter on May 1 of this year, which was included in the package received from Mr. Nixon and from Mr. Lewis. We've asked him to put a submission to us in writing that he was, in fact, interested in a buy-out.

You ask the present status of the negotiations. Insurance and claims division of the ministry are conducting tests on the well, for one thing.

You asked for the breakdown of compensation in each agreement. The first agreement dated April 21, 1970 for the widening of Highway 99, was for loss of land, loss of lawn, loss of trees and shrubs and loss of a fence, for a total of \$625. In 1972, April 27, an agreement for the widening of Highway 52, shows compensation for loss of land, loss of well—which was an estimate—and inconvenience allowance. It finished up at \$1,200 and included the clause, and I quote: "It is understood and agreed that compensation for loss of landscaping is to be determined after construction."

Mr. Dunnett has now indicated he would like to be bought out entirely. We will certainly meet with him and discuss the proposal to purchase the total property. There is no problem. He has never, at any time, put in writing to us a request that we, in fact, buy out his total land. If that is his interest now, we will certainly meet with him. No problem.

Mr. Germa: That seems to be different from the attitude of the letter he wrote to Stephen Lewis recently on May 1.

Hon. Mr. Rhodes: I am referring to—

Mr. Germa: Over the past five years, he said, at no time had the government—most of these people don't know their rights, you see. When you come in and say: "We want 10 ft"; they know they can't stand up against you so they just back off and crumble. The average citizen doesn't stand up to big government and say: "Well, you're not having 10 ft; you're going to have it all."

I think you have to understand you're not dealing with experts such as you have in your ministry who know the letter of the law.

Hon. Mr. Rhodes: I can tell you there are a goodly number of people—and I can't speak for 100 per cent of the people we have dealings with—who have come to me in letters and otherwise or to their member, saying: "We don't want to give up X number of feet of our property, buy us out."

We always go in and talk to these people. We're not going to buy out property just for the sake of buying it out. If we're causing

some hardship, some inconvenience, or if we're going to destroy the property as a result of highway construction, then we will buy it. If it's simply a matter of taking 10 ft off the front of somebody's property, that isn't going to do any harm to the residence or create any inconvenience or do untold damage to the property, we'll certainly pay for that. We're not going to buy a whole lot of acreage.

I can't comment on what was said to Mr. Dunnett by individuals he has talked to but I can say to you that if he wants to discuss the acquisition of the total property, we will certainly discuss that with him. That has been the policy, I feel, we are following. I'm sure you are right when you say there are those who don't know, perhaps, what they can do. It's very difficult.

Mr. Germa: I get a sense of frustration out of his letter, Mr. Minister. I'm going to read the first sentence. It says: "Assuming there is still some justice and fair play left in our provincial government, we are hoping there is someone there who will take the time to listen to the voice of the individual taxpayer."

Now that is a plea for someone to listen. Maybe you haven't been contacted directly, but it indicates to me that someone has not given this gentleman the information that there was another avenue he could follow. He appears absolutely frustrated and has lost faith with big government.

Hon. Mr. Rhodes: I received no letter from him, to the best of my knowledge, asking this. If I were to have received that letter I think I would have reacted as I suggested I would react to anyone in this area by attempting to discuss and negotiate with him.

Mr. Germa: Have your people made contact with this man since May 1?

Hon. Mr. Rhodes: I'd have to ask about it.

Mr. A. F. Leach (Executive Director, Right of Way and Services): No, we haven't made contact with him yet, but we will in the very near future.

Mr. Germa: It is your intention to contact Mr. Dunnett and make a proposal to take the entire lot?

Mr. Leach: That is correct. The reason no contact has been made before this is the agreement we took with him in 1972 stated that we would return, after construction, and complete the negotiations for the loss of landscaping and so forth. The construction is not completed as yet. So we would have been back to see Mr. Dunnett in any event.

Mr. Germa: So the whole thing is still in a state of construction, even to this day. He's been living sort of in a construction yard for five years. Is that the kind of environment he's been living in?

Mr. Leach: No, the construction wasn't under way when we took the agreements.

Mr. Germa: The first agreement was in 1970, I understand. There has been disruption there from 1970 up until 1975.

Hon. Mr. Rhodes: There has been no construction since 1970 on his property. It is all well and good to get this sort of a letter and jump to the conclusion that everything in that letter is right on. That isn't necessarily so.

I'm not suggesting that Mr. Dunnett hasn't had some frustrations; we all have. But I'm suggesting to you that if he had written that letter to me—and I'm also going to assume that if he'd written it to my predecessor—we would have gone in and discussed it. To the best of my knowledge he has never, at any time, written to the ministry requesting that his land be purchased.

Mr. Gilbert: One of the points that was raised in his letter was the reference in the agreement to the fact that it was understood and agreed that compensation for lost landscape would be determined after construction. In other words, there was no intention on the part of the particular property agent, whoever he was, to try to put something over on the owner. He is pointing out that it is recognized that they are prepared to come back and talk to him after construction.

As far as our property staff is concerned, as the minister says, we can't contact all the people and we will run into these problems. Particularly since the change in the Expropriations Act in 1968, we have spent a lot of time with our staff bringing new members in, preparing them, instructing them and getting across the intent of the Act. We can't avoid all the problems, but there is the intention, within the ministry, to try to avoid as many as we can while dealing with the owners as fairly as we can.

Mr. Germa: Could I raise a point regarding the Fisher Harbour development at La Cloche on Manitoulin Island? What impact is that going to have on Highway 68? When I add Fisher Harbour to that highway and then I add this new ferry service from the Bruce Peninsula to South Baymouth, I can see that highway is just not going to handle the overload.

Mr. G. H. Johnston: We made a preliminary assessment of the impact on the highway system and we couldn't see any problems developing, from a truck traffic point of view associated with that.

Mr. Germa: From Fisher Harbour or from the ferry?

Mr. G. H. Johnston: From the Fisher Harbour development.

Mr. Germa: In conjunction with the ferry, then. This Fisher Harbour, if it has to cause further traffic on that highway.

Mr. G. H. Johnston: Yes, of course, any development like that would have to be monitored to see what the true impact is. But we are not anticipating problems from what we know of the developments for the area within the immediate future.

Mr. Germa: What impact is this new ferry going to have on the highway?

Mr. G. H. Johnston: It should provide a better quality of service to the people, but as far as an inducement to additional traffic is concerned, it will not be that much greater, I don't believe.

Mr. Germa: This ferry is going to be able to allow more cars to come in from the south end.

Mr. G. H. Johnston: Yes, it would reduce the waiting time, primarily.

Hon. Mr. Rhodes: I think what Mr. Germa is asking is the capability of Highway 68 to handle the increased volume of traffic to be generated by the new ferry.

Mr. G. H. Johnston: We expect we can handle the growth in volumes from what we see in the immediate future for that area.

Mr. Germa: As to the announcement that the government was thinking about something to Moosonee, and I understand there is a feasibility study under way right now, what criteria are taken into consideration before you decide to do something? Do you consider just the raw need of the highway, or does your feasibility study have to produce a viable entity?

Hon. Mr. Rhodes: I think what we are looking for is to determine two things in a particular road like that, and I will let the planners and the experts talk about it from their point of view. I think what you have to look for is first of all the impact that it is going to have on the area environmentally. Is it going to provide a needed facility into the particular community, in this case Moosonee? What sort

of social impact will it have on the people in the area? What provincial benefits will there be to it? Are there resources that can be found in the area that can be developed?

I would say these are some of the criteria you have mentioned. Is it a viable facility, are we just building a road for the sake of building a road to connect Moosonee with No. 11 for the purpose of allowing people to drive on the road so they can drive into Moosonee? I don't know whether that is such a great thing for the people of Moosonee and Moose Factory, to suddenly have that opened up. I don't know.

That's part of the study, to talk to the people in the Moosonee and Moose Factory area to see what their feelings are. They are the ones who will be most affected. The greatest impact would be on them and their way of life and the lifestyle that they have there.

I'll perhaps turn it over to Gerry Johnston to comment from a planner's point of view. But my own immediate reaction is, I think there has to be a combination of things—a demand from a traffic point of view; to consider what the social impact will be on the communities involved; and whether or not there is a resource development possibility in the area to make it a viable and usable transportation facility that is needed beyond the air service and the rail service already there. It may well be that the upgrading of the rail and air services would be far more desirable than construction of this road facility.

Mr. G. H. Johnston: There is very little, sir, I can add to that. We have worked with the other ministries of the government, with the Ministry of Natural Resources to find out all the mineral potential along this series of alternative alignments that are being studied; and with any plans of the Ministry of Industry and Tourism for additional provincial parks or other recreational developments. We have tried to meet with the people to find out their social values and what the impact on the people would be. That's basically what it is.

Hon. Mr. Rhodes: I find, for example, that the study team that was working on it included the ministry's people, in conjunction with other ministries, and we also had an external team, people who are outside of government who would have an interest, such as the Ontario Naturalists. It was the Ontario Naturalists who said quite openly they don't think there is any need for the road. In fact, they took one look at the situation and decided they didn't want to be involved, that there was no need for it.

That may well be, that there is no need for it. The study is just about completed and that may

be the finding of the study. Then the whole thing will be taken back to the policy field and a decision made as to whether or not it is, in fact, needed at this time.

Mr. Germa: The way I look on Moosonee is that the 3,000 or 4,000 people there are no different from any other people in villages of similar size any place in Ontario, every one of which is connected with a road link. So, regardless of what the Ontario Naturalists say, these people in Moosonee are not unique. They're no different from you and me. Would you and I consider, in this day and age, living in a village without road access?

Hon. Mr. Rhodes: No, I certainly wouldn't. But strangely enough if you go into Moosonee and talk to some of the native people and white people who are living in the area, they're not that overly enthused about the idea of having a road connection. In fact, you'll find the people in Moose Factory and the people in Moosonee place a greater importance on a link-up between Moose Factory and Moosonee—a much higher priority on that sort of a link-up as opposed to a roadway. I have been in there and talked to them, and that's their attitude.

Certainly, there are some who would like to see a road connection—many for their own particular purposes. If you talk to somebody who owns a motel or something, he'd like to see all the road traffic he can get his hands on. But the people in the community have not indicated to me in the times I've been in there that they were all that enthused about a highway down to Cochrane, strange as it may seem.

Mr. Germa: That's not the impression I had when I was there. Take that four or five miles of roadway that goes down to the gravel pit—going south of Moosonee. Those guys like nothing better than tearing down that dusty road just to knock the mud off their cars. All that's at the end of the road is a gravel pit, and it's still used.

Hon. Mr. Rhodes: Oh, yes. But interestingly enough, one of the factors brought to my attention was by the people who live there, the native people in particular. The first question they asked me was, "If you put that road through will we then have to put licences on our cars?" Because they're not subject to the Highway Traffic Act up in that area.

Mr. Germa: Yes, that's right.

Hon. Mr. Rhodes: And when I said, "Yes, you will," they weren't that enthused about it, quite frankly.

Mr. Germa: I think once they realize they would be connected to a million miles of road

system, they wouldn't object any more than you or I do. Just because we have a licence we don't use the whole million miles, but we know it is available, and that's precisely why we don't mind paying.

Hon. Mr. Rhodes: That study is just about completed. What the findings of the study team have been will be made known very shortly.

Mr. Germa: I can see the purists and the conservationists would like to preserve this as a unique area, disregarding the people who have to live there. But I know I, or even you, would find it a horrible inconvenience after having had access to road transportation, if you or I were put in there to find out just how difficult life can be without that highway link.

Hon. Mr. Rhodes: I personally would not want to have to depend strictly on air and rail transportation to get in and out of my community, no question about it. In fact, if I had to depend on rail transportation I'd be in real trouble.

Mr. Germa: I think the point I'm trying to make is that regardless of what your feasibility study comes up with, the need is already there, and it is demonstrated. At the earliest possible moment that town should be connected into the highway system.

Hon. Mr. Rhodes: I'm not totally aware of what the team is going to bring in, but a feasibility study will probably show it's feasible to build. That is basically what the study was to do.

It's a question then, of the need, of the desirability of it, and what sort of development may take place along it. Is that the sort of development people want in the area? We're going to get some opposition, as you suggested.

Mr. Germa: Oh, I'm sure you are. But what I'm trying to say is that when there are 4,000 isolated people, there is a need, and that should be paramount. As to the feasibility, I don't think there's any doubt that the road can be built. If the feasibility study is trying to determine the best route, all right, I can agree. If there are some ore bodies that should be linked in on account of the construction well certainly.

But 4,000 people are not going to write you a letter and say, "We desire a highway." I'm evaluating them on the basis of other communities of 4,000 people that I've been in. I'm sure they would adapt very quickly to highway transportation and communication, and use it just as much as you and I do.

Mr. E. R. Good (Waterloo North): Can I ask a question on that if I may? Mr. Minister, would the development of the Onokawana lignite deposits have any bearing on whether the road would or would not go in?

Hon. Mr. Rhodes: I think any of the mineral deposits up there would be a factor to be considered, whether it's the lignite—

Mr. Good: That has been part of your study, has it?

Hon. Mr. Rhodes: We are aware of these lignite deposits. The viability of them I don't know, that is something that someone else is looking at. But it is my understanding that there are certain other mineral deposits in the area as well. It may well be that a highway facility would perhaps speed up the development of those too. I don't know, again, how good they are. I understand a total exploration of that area has not been carried out. It would surprise me that some of the well-known mining companies have not gone in and explored that area for deposits.

Mr. Chairman: Mr. Root, did you want to speak on item 2?

Mr. J. Root (Wellington-Dufferin): Just very briefly. I was very pleased to see the discussion as to comprehensive provincial plans. As I listened to the leadoff speaker for the opposition I thought maybe Ontario ended about 10 miles outside of Toronto. Then the member for the NDP, I thought, maybe forgot that there is a great area between Toronto and Highway 17. However, as the discussion went on, I could see where you were becoming a little more concerned about the whole province.

I want to commend the government for having a comprehensive programme that recognizes all of the different facilities for the various areas. I happen to live in that area between Toronto and the north and I am all for developing the north. In fact, I am pleased to see so many highways going in there. I was up in Chapleau last winter at a hearing and I wondered how I was going to get to Timmins. I drove over three highway construction projects between Chapleau and Timmins.

Hon. Mr. Rhodes: I have said before and I will say again, I hope that there are all kinds of delays on traffic moving in and out of northern Ontario this summer, but all of it by construction crews improving the highway.

Mr. Root: Good. I am all for it. Now, I wanted to ask a couple of questions.

Hon. Mr. Rhodes: And the east, too, to the hon. member for Carleton East.

Mr. Root: Do you operate the ferry between Tobermory and Manitoulin?

Hon. Mr. Rhodes: Ontario Northland Transportation Commission does.

Mr. Root: I wasn't sure whether it was provincial or federal. It's provincial?

Hon. Mr. Rhodes: Provincial.

Mr. Root: It is part of the comprehensive programme.

Hon. Mr. Rhodes: Yes, it is part of the programme.

Mr. R. F. Ruston (Essex-Kent): Who bought the ferry? The Ontario government?

Hon. Mr. Rhodes: The Ontario government.

Mr. Ruston: What part did the federal government play?

Hon. Mr. Rhodes: They put in some piles in South Baymouth I think, got involved in the dredging contract.

Mr. Root: When your programme was announced—

Mr. Ruston: I think you are misleading—

Hon. Mr. Rhodes: No, I am saying—

Mr. Ruston: I was there last year and I saw what the federal government was doing, so I happen to know.

Hon. Mr. Rhodes: Yes, I am saying that the ferry—that was the question, and I answered that correctly—was built by the Ontario government and will be operated by the ONTC. The federal government's participation was, in fact, the provision of docking facilities at both South Baymouth and Tobermory.

Mr. Gilbert: Part payment, sir, because they put in \$3 million out of a total expenditure of how much?

Mr. W. M. Bobbins (Executive Director, Finance and Data Processing Division): About \$13 million—say 25 per cent.

Hon. Mr. Rhodes: They certainly were participating and I am not attempting to downgrade their participation.

Mr. Ruston: I couldn't care less. I just didn't want you to have it on the record that they hadn't participated except to put a few piles in the ground. I think that would be a little misleading for somebody reading the record. I am sure you wouldn't want to mislead them.

Hon. Mr. Rhodes: It would not only be misleading; it would be incorrect and it would not be the proper thing to put on the record. Have the record show that they were involved.

Mr. Beckett: Let's get back to the committee here.

Hon. Mr. Rhodes: Leave us alone, we're having fun.

Mr. Root: Could I ask another question on the matter of the airstrips in northern Ontario? Are they built federally or provincially?

Hon. Mr. Rhodes: In some cases there is a combination of moneys between both federal and provincial; in some cases it is solely provincial. We work with the federal government in the developing of some of the airstrips. In the majority of the ones we are doing now, we work with the municipality that is involved. We subsidize to 80 per cent of the cost, the municipality puts in the balance, and I would have to ask from the federal—I think it is in the next vote that is on, anyway—

Mr. Root: Maybe I have made that wrong but I don't know a darned thing about the comprehensive plan. I know with the hearing board I visit many areas of the north. I was at Pickle Lake a couple of times recently and that airstrip really made an awful difference there. I was able to leave Toronto after breakfast, hold a hearing and be back in Toronto for supper at night. If that airstrip hadn't been there, it just couldn't happen. I think a comprehensive plan is good.

I have a question, and I am going to be a little bit parochial here. When your programme came out, I was very pleased to see that you are going to do something on Highway 7, between Guelph and Acton. I asked a question about it last year—it's in the programme for this year—and that is the construction of the last highway. It hasn't been constructed in my riding, since I was elected, and I would like to think it is.

I also noted that there is a programme for a couple of miles of construction in the Grand Valley area. Then the Shelburne paper reported that there was nothing for Dufferin and I wonder what they are talking about. There was something in the Grand Valley paper saying that it had been postponed for a year or so. I was in Grand Valley on Saturday talking to the reeve. He said there was a problem with a sewer to serve a projected subdivision. He said he thought they had that ironed out and, if it's possible, I am hoping that it will go forward. It was in the programme for this year. It is only two miles long. There is

also a piece of road that needs rebuilding on No. 9 up into Grand Valley where it joins 25.

Hon. Mr. Rhodes: There is a piece of work in the Grand Valley area that we plan for this year.

Mr. Root: Highway 25.

Hon. Mr. Rhodes: Highway 25, that's right.

Mr. Root: Well, there was something in the Grand Valley paper saying it wasn't going to go this year and that something had gone wrong. I never like to mislead anybody. I had given a press release based on the fact that it would go, so I dropped in to see the reeve on Saturday. He said the problem has been in the working out of a properly sized sewer by your people. Considering the subdivision size they thought they had those details worked out.

Hon. Mr. Rhodes: We have got it on our programme for this year. To the best of my knowledge it is intended to be done. That is the Grand Valley northerly from one mile north of Highway 9.

Mr. Root: That's it. The other question I was going to ask you about is the GO train. This was mentioned I think in your programme. Is there any word from the federal people about going through as far as Guelph? You turn around at Georgetown now. People from the Rockwood, Acton area and north have to drive to Georgetown to get on the train.

Hon. Mr. Rhodes: We haven't considered extending the GO train, per se, to Guelph. We have looked at the possibility of putting in GO buses to connect with the GO train at Georgetown, similar to what we do between Oshawa and Pickering. We haven't considered putting the GO trains up that far.

The thing you have to remember about the GO system is that somewhere along the line you get beyond that which is a commuter. Somewhere you get to where you are getting tourists. There has to be a cutoff point somewhere. You could keep extending it on but there's no point in trying to run that sort of commuter rail—I am talking now about the GO North commuter daily sort of thing that runs with that degree of regularity—out 60, 70, 80 and 90 miles. Somewhere you have to go the other way, if you will. The CN is still running a train from Guelph at the present time. It runs in, I think, once a day—isn't it?

An hon. member: Two a day.

Hon. Mr. Rhodes: Two a day? Two a day. They have been running two trains in a day.

The CN would like very much, I think, to discontinue that service.

Mr. Root: I think they would be doing a good job to discontinue it. I used to use it. I'd get on at Acton, land in Toronto at 8 o'clock and there is nothing open. What do you do? Stand around with your hands in your pockets. They run at the wrong hour. People come in by bus but a lot more people go back by train. That came out at the hearing I was at in Guelph. It's not a convenient hour in the morning.

Mr. Good: There are four trains a day in from Guelph.

Mr. Root: However, I am not going to press it. I would commend you on a comprehensive programme because I have benefited from airstrips. I can leave Toronto in the morning, fly to Dryden and over to Sioux Lookout on a hearing and get back the same night. If it wasn't for those airstrips you couldn't do it. I think they are very helpful. The same applies to the ferry between Manitoulin and Tobermory. It is binding the province together. I don't want people to think that we have three provinces—one around Toronto, one north of Highway 17 and one in between. We are all part of the same province and consequently transportation helps to bind us together.

Mr. McIlveen: You have a convert.

Mr. Chairman: Mr. Stokes, this is item 2. Is this the one you want to speak on?

Mr. Stokes: I want to get in on planning and I had a conversation earlier with the minister, in the House, about the plan to upgrade 631 north. I see something in the book, "43 miles; grading, drainage and granular base for 631 north." I had a call from a radio station in Thunder Bay, which has been inundated by calls on open lines all the way from Horne Payne, which is about 300 miles away. They have a little gossip line on CBQ, which is the CBC affiliate up there. They phoned in to the Premier (Mr. Davis) when he was up there, complaining about the condition of that road and they got a commitment from the Premier that he would be discussing it with the minister to step up the time frame within which they could expect some kind of improvement on that road.

I understand even the hospital administrator is complaining that he can't send ambulances out, or he is fearful of sending ambulances out, because of the dangerous and unsafe condition of that road. Can you step up your planning so that you can effect some repairs or at least begin to set some repairs in motion almost im-

mediately because of the fears and apprehensions of the condition of that road?

Hon. Mr. Rhodes: Yes, we can get on with that programme now. As you say; in our programme for this year, there will be work done on what have been identified as the worst spots on that road, to upgrade them. That will be done under a day labour programme so it isn't going to be necessary to call tenders and contracts and everything and have those sorts of delays.

Mr. Stokes: Sort of preventive maintenance?

Hon. Mr. Rhodes: It is a matter of the district getting in and getting the thing straightened up.

I think it is fair to say—I have received some correspondence on it and have had discussions with people on it—631 was not, perhaps, built the way it would have been if more time had been allotted to building it. As I understand it, one of the problems was they wanted that thing put through in a real crackerjack of a hurry, to have a linkup with No. 11. It was done in the sense of going in and taking the easiest possible route to get it through quickly and that was done.

There are some alignment problems on that highway, as I am sure you know, and these will have to be overcome but we are not going to overcome those with day labour. It is going to take some real contract work to go in and do it right. This year, we recognize there are some problems and that is one of the reasons this sort of job is put in. We can get on with that by getting the district there to get its day labour force to go in and start doing the work on the spots which are most of the problem.

Mr. Stokes: I don't disagree with anything you have said but things have changed since that road was built. Because of everybody's propensity to regionalize services of every kind, whether it be educational facilities, hospital facilities or ambulance facilities, roads are so much more important. They are a vital link in getting the consumer to the services where once you had some kind of services brought by train and that was a way of life for people in the north.

Now that there are ambulance services, regional health centres, regional hospitals and district school facilities, people are much more mobile than they ever were before and they are relying on these corridors for safe and speedy travel. There are some children who are busing 50 miles in the morning and 50 miles at night. That wasn't the case when this highway was designed.

You people are going to have to keep up with the times. If you are going to provide

regional or district services, obviously you have to have a good transportation network. You are going to have to upgrade these services so that people can travel these roads to those services in safety, knowing full well they are going to reach their destination. I am not going to belabour the point but you can see what I am getting at.

Hon. Mr. Rhodes: Absolutely.

Mr. Stokes: At the time those roads were built, they weren't meant to be other than arteries following the road of least resistance to some resource. That isn't the case any more. They are vital transportation corridors, vital links for people to essential services, and hopefully you will take that into account when you are doing your planning in the future.

Hon. Mr. Rhodes: Okay.

Mr. Stokes: Last year I asked you if you were trying to do anything by way of research and development for what we refer to as heaving or capillary action in the north. Mr. Adcock, I think, did say that he was just about at the end of his five-year period, or whatever time frame he had, for reaching a decision as to the kind of construction that is necessary and appropriate, given the severe conditions.

Hon. Mr. Rhodes: Excuse me. That will be under the next item, research and development. I would be quite happy to go on to it, but I am just wondering if there is any other planning question. Could we get item 2 to carry, under planning, and go on to research?

Mr. Chairman: Item 2 carried? Mr. Haggerty, is yours under research and development?

Mr. Haggerty: It is under planning.

Mr. Chairman: Then let's get your questions over and we will get a vote on this one, and you will be first Mr. Stokes, on the next item.

Mr. Haggerty: This deals with planning. My main concern is the signing of roads, signing of municipalities, to indicate if you are travelling, for example, on the Queen Elizabeth Way from Toronto to Fort Erie. Who establishes the policy on signing of different localities or different communities along these roads? What criteria do you establish in signing a municipality?

Hon. Mr. Rhodes: I suppose we could answer it now. That does come under design in the vote later on.

Mr. Haggerty: I imagine planning would come before design, wouldn't it?

Hon. Mr. Rhodes: The planning vote really is in our overall planning programme. The signing policy—

Mr. Haggerty: What vote would that come under then?

Mr. G. H. Johnston: Provincial roads.

Hon. Mr. Rhodes: It is actually under the provincial roads vote.

Mr. Haggerty: That would include the Queen Elizabeth Way?

Hon. Mr. Rhodes: Vote 2304.

Mr. Haggerty: That would be the Queen Elizabeth Way?

Hon. Mr. Rhodes: Yes.

Mr. Haggerty: Then your staff should have some information. I'll just advise them now that we are going to discuss signing of the—

Hon. Mr. Rhodes: In other words signing on the QEW—

Mr. Haggerty: The QEW at Fort Erie and the municipality of Fort Erie.

Hon. Mr. Rhodes: It has been a favourite subject of mine, too.

Mr. Haggerty: So get your pens and pencils out and all your notes on that. We are going to have quite a discussion on it.

Mr. Chairman: Mr. Good.

Mr. Haggerty: Wait a minute, Mr. Chairman, I have one more comment.

Mr. Chairman: You have another question yet?

Mr. Haggerty: Oh, definitely—this deals with planning. You are not going to get off that easily.

In the city of Port Colborne, I attended Saturday, with my colleague, Mr. Morningstar, the opening ceremonies of the marine museum there. Some of the comments raised there were in connection with Sir William Hamilton Merritt, whom I guess you might say was the father of transportation in Canada back some 150 years ago. They had a celebration and commemorative services at St. Catharines last year, honouring his engineering capabilities of that time. He designed the Welland Canal, and another of his engineering feats was designing a railroad from the city of Port Colborne to the village of Port Dalhousie—that is the city of St. Catharines now in the Port Weller area. I believe it would be. He did quite a bit in

designing the railroads throughout the community.

Have you given any indication of doing a study on a railroad through the corridor of the Niagara Peninsula? What I am suggesting is rapid transportation in the Niagara Peninsula from Port Colborne to St. Catharines. We have talked about Highway 406, and who knows when that is going to be completed. There have been designated routes—two or three different ones at the north end of Highway 406—that is in the city of St. Catharines—and I think there is a bottleneck there yet. Perhaps it should follow the original site of the Welland Canal.

I think that is one of your proposals—to go down along the ravine of Twelve-Mile Creek, I believe it was. That's the original site of the Welland Canal, built back in 1829. I understand your Highway 406 proposal was to follow that ravine and to tie in with the Queen Elizabeth Way at Twelve Mile Creek.

What I wanted to know relates to the delay in the construction of Highway 406 through the city of Welland, the city of Port Colborne, the city of St. Catharines—at least, part of it is constructed there now, and it only leads into the Pen Centre, which is by coincidence a big shopping plaza; it's funny they can always manage to put up some kind of project in a particular area before the road is even built.

The point is, have you given any consideration to a study for rapid transit from Port Colborne to St. Catharines? The railroad bed is still there; at one time, it used to be the old NS and T railroad for an electric car service between those municipalities. Have you given any consideration to reinstating that type of transportation mode?

Mr. Bidell: We haven't given attention at this point in time to a specific manner of handling public transit, but during our work in the Lake Erie, Niagara study, which was alluded to earlier and for which we are waiting for the official plan of the region to be completed, we gave attention to all forms of transportation; not only did we study road transportation, we also gave attention to busing and rail possibilities in the Niagara region. So we will be prepared to make our recommendations following the completion of the official plan.

Mr. Haggerty: I was just wondering if any of your staff would have the vision of William Hamilton Merritt, who is well known for his engineering feats. I am just wondering if you had any thoughts and consideration of rapid transit—

Mr. Gilbert: Whether or not you say we have the vision, sir—and I admire engineers of those days—we certainly have the advantage

of an awful lot more people. Let's put it that way.

Mr. Haggerty: I believe that when the first canal was constructed, the total number of persons employed was 600; I guess they used team scrapers and so on and they completed it in five years. When the new canal was built on a different alignment, an enormous amount of heavy equipment went in there, but it took them almost the same length of time to cut only one third of the length of the original channel.

Mr. Gilbert: It was the same with the Rideau; I think it was built in five or six years—the planning, design and construction. We have to take our hats off to those people.

Mr. Haggerty: They must have had engineers in those days—or the manpower—one of the two, eh? I bring this to the attention of the minister because if it isn't in that study, perhaps you would give consideration to that type of transport; the roadbed is there and you might as well capitalize on it.

Mr. Gilbert: Very good point.

Mr. Chairman: Mr. Good.

Mr. Good: Yes, I have two questions. First of all, regarding the connecting link to Highway 401 in the city of Kitchener, you've done a considerable amount of work on what we call "gasoline alley" through there, including putting a left-turn lane in the centre. Has that work, which was done last year and is completed now, prolonged the final connecting link, which will be a controlled-access route from Kitchener to Highway 401?

Hon. Mr. Rhodes: Mr. Johnston.

Mr. G. H. Johnston: Sir, as you are aware, there was a lot of difference of opinion about how the Cambridge bypass should actually be put into place. Before any steps could be taken on the section north of Highway 401, a final decision had to be made on where the alignment would be south of Highway 401.

The regional municipality of Waterloo, in association with Cambridge, has just recently completed a study which has tied down the precise proposed corridor, let's say, for the Cambridge bypass—the Highway 8 bypass—and now allows some serious thoughts to be given to how you can proceed to the north. I understand they are in a position now of discussing with the ministry the proposed timing for all these connections.

Mr. Good: The original planning, as I understand it, allowed the present interchange with

Highway 8, which goes past all the motels and service stations, to remain. Now I understand the planning will cut that off and that will be a dead-end road at the 401; at least there won't be access to the 401—just go under the 401 to Preston. The new alignment will be somewhere east of that, I presume.

Mr. G. H. Johnston: The new alignment for Highway 8, I believe, is west of the existing interchange. But I believe even on the original plans there was not going to be access to old Highway 8 after the new interchange went into place.

Mr. Good: It is causing considerable concern among the existing businesses on the highway; and I was dealing with a couple of people on that highway recently. The member for Oshawa was going to arrange that some of the more senior officials contact those who were questioning the final and ultimate results there.

Motor operators in that particular area are, of course, naturally quite concerned when their road is not going to have direct access to 401. Just how they get to their road, of course, will be of great concern to them. I understand the timing of this is still uncertain. Could you project a guess as to how many years in the future is the new access from the Kitchener-Conestoga expressway to 401—is it five years away, or four, or 10?

Mr. G. H. Johnston: I'm afraid I couldn't take a guess on that, sir. I'm sorry.

Mr. Good: You already have some of the land, I believe; do you not?

Mr. G. H. Johnston: Yes, sir. Particularly for the section north of the 401, the alignment has been tied down. There's been basically no change to the original thoughts for that section, because the alignment to the south of the 401 was confirmed as a result of this most recent study. There were basically minor modifications to the old original alignment, and the old original design.

Mr. Good: How seriously do you take into consideration the effect on existing businesses, when you change roads or cut off their access to the highways?

Mr. G. H. Johnston: They're given serious consideration and, hopefully, through proper signing practices and so on, they will not be cut off from their source of livelihood.

Mr. Good: Would the plan be that wherever the new interchange is, there would be access from that road on to another road which would lead to old Highway 8?

Mr. G. H. Johnston: Yes, sir. That's something that has been under discussion with the regional municipality as to access back on to Highway 8.

Mr. Good: But you have no timetables. I inquired about two years ago of the ministry, and I think they were talking about five years then. But, undoubtedly, when I saw the extensive work being done on old Highway 8, I thought, well, this is going to prolong the new control access link from Kitchener to the 401.

Mr. G. H. Johnston: I really don't know, sir, when that will proceed.

Mr. Good: Mr. Minister, why did you slow down the work on the easterly Highway 7 from Kitchener to Breslau and eventually to Guelph? I understand all that's slated is just 1.7 miles, I think, from the Wellington St. extension, which I think is three-tenths of a mile; the Wellington St. extension from eastern limits westerly—

Mr. Chairman: I think actually, Mr. Good, that you're getting into the construction programme here now.

Mr. Good: I'm sorry. Well, to keep it to planning, has the whole alignment of Highway 7, from Kitchener to Guelph easterly, been finalized?

Hon. Mr. Rhodes: Yes, that's finalized.

Mr. Good: So the same route now has been finalized; it's just a matter of when you're going to do it?

Hon. Mr. Rhodes: It's a matter of getting on with it. It's all settled with?

Mr. Bidell: Yes, we've announced it.

Hon. Mr. Rhodes: Yes, we've announced the route of it.

Mr. Good: The other thing is the access route for getting into New Hamburg. Some of it is on 7 and 8, a westerly extension of the Conestoga Parkway, and then on to 7 and 8. I understand there is still some doubt as to getting in and out at New Hamburg. How is that going to be handled? I think you met with some of the council just a week or two ago to discuss that problem and in connection with another bridge problem they had there. Has that planning been completed or is that all a local matter?

Hon. Mr. Rhodes: I'm certainly not aware of that. I didn't meet with a delegation at all from that area.

Mr. Good: Somebody did two weeks ago.

Mr. Gilbert: Unless it was someone from our regional staff who was talking to them.

Mr. Good: They came down to Toronto—Unfortunately, I couldn't be with them. The member for Oshawa arranged it.

Hon. Mr. Rhodes: We are not aware of any problem?

Mr. G. H. Johnston: No, nothing.

Mr. Chairman: Item 2 agreed to. On item 3. Mr. Stokes, you had some questions on it?

Mr. Stokes: Yes, just to carry on with what I said earlier about the commitment, or at least an understanding, given by Mr. Adcock that maybe about this time they would have reached a decision as to how to deal with capillary action and heaving.

In travelling maybe 30,000 or 40,000 miles a year, I get to travel all the roads in north-western Ontario. I see—particularly on Highway 17 between Upsala and Raith—where the soil isn't too stable. Even those who construct pole lines, rather than having a conventional hole braced with rocks, or even a large piece of piping, have had to build tripods in order to support the pole lines. It is so bad that if you go along that highway in mid-winter you will get an opening of up to 12 in. wide because of the heaving or the settling down of that road. It tightens up.

I was just over it on Thursday and I noticed it is closing up somewhat, but in the winter-time it heaves and separates and it's a real problem. It breaks up. You have to continue to go back and maintain it every spring.

It seems to me you have two approaches. I'm not an engineer but after seeing what you've done in other areas, I think you should either undertake a programme of ditching it or you should have a programme of digging it out and have a styrofoam underlay. When I raised this question last year you mentioned that your surveys weren't complete but you hoped that within a year you would have some definite ideas about which direction you should go. Have you got anything to report on that?

Mr. H. W. Adcock (Assistant Deputy Minister, Operations, Research and Development): I think I mentioned last year when we were discussing this that we were having some secondary problems with the styrofoam situation. We were getting a strange slipperiness on the styrofoam sections under certain temperature conditions and under certain climatic conditions.

However, you're right. The first thing to do is keep the water away from the sub-grade. If

you have adequate drainage you're not going to get frost under the road structure and, therefore, you're not going to get heaving. In many of the areas that you speak about, though, the soil conditions are so terrible that it's very, very difficult to totally accomplish this. We're still putting down styrofoam, don't get me wrong. The programme has been very successful by and large and we're still putting styrofoam under a lot of our newer pavements where we know these soil conditions do exist.

The other answer, of course, is to dig out the offending material and get adequate drainage. I think this is probably what we've come to as the bread and butter solution. We will endeavour to dig out the offending material and replace it with a non-offending material such as a well-drained gravel. We would only use the styrofoam for these very difficult conditions which we have found it to be so successful to treat.

Mr. Stokes: Okay, thanks. I have only one other thing on planning. That is, transportation in the far north. You and your colleague, the Minister of Natural Resources (Mr. Bernier), had a meeting with the Treaty No. 9 group well over a year ago. You sat down and you were trying to come up with answers to transportation problems in the far north. I understand the government did undertake to provide some money on a travel basis for winter roads as opposed to the airstrip programme or a tractor-train.

Ove the past winter, there was something like \$65,000 provided by the government to construct a winter road from Menako Lake into Round Lake in the Kenora riding. I am told there is a saving to the people in that community as a result of getting their provisions by winter roads and trucks rather than having to fly them in. Just to give an example, the cost of gasoline was reduced from \$1.60 a gallon to \$1.20 a gallon. There was a 40-cent-per-gallon saving just on that one commodity alone.

I am told, and I don't know who did the statistical analysis, the saving from hauling a million pounds of freight over a winter road offset the \$65,000 it cost to build the road. Hopefully, if that kind of saving can be transferred to most communities in the north, it would be a much better way to go than providing airstrips. As you know, you've spent \$6 to \$7 million on the highway-in-the-sky programme and it hasn't brought the cost of goods down one penny to the consumer.

The air carriers are bringing in heavier payloads. They are getting up to 6,000 lb. per load on a DC3 as opposed to much smaller aircraft equipped with either floats or skis, depending on what time of the year they are operating.

None of those benefits has accrued to the taxpayer of the province who is the consumer, it has rather been transferred to the air carrier. We could transfer that benefit directly to the consumer by way of a winter roads programme.

Granted it is only appropriate in the winter, but that's when most of the heavy equipment, building supplies and the year's fuel supplies are brought in. Have you been convinced yet that this is one area that should be pursued by way of developing yet another mode of transportation in the North? If you haven't been convinced of that, perhaps you could talk to your colleague, the Minister of Natural Resources, who himself is firmly convinced that that is the direction that we should be going in now.

I wrote the minister a letter not long ago asking if he wouldn't pursue the possibility of extending that road from Menako which is about the northern terminus of the access road north of Pickle Crow and swinging it over to the northeast to take in Kingfisher Lake and Wunnummin Lake where the price of gasoline is over \$2 a gallon. If you could effect the same kind of saving that was effected in the winter roads programme in Round Lake, you'd be doing something that the people up there would be certainly grateful for. It would bring down the cost of essential goods in the north.

Hon. Mr. Rhodes: Yes, I think we have found, just as you have said, that it has been quite successful and it was meeting a very real need. The funds for that particular project, and this type of construction are found in the Northern Ontario Resources and Transportation Fund, the NORT Fund, as we know it. They have already approved the funds.

Mr. Stokes: Are you a member of that committee?

Hon. Mr. Rhodes: Yes, I am. The committee has approved funds already for a repeat on the Pickle Lake to Round Lake. We estimate \$60,000 will be spent there again this year. As well, there will be a special snowmobile trail into Bearskin which we think will cost around \$30,000, and a snowmobile trail into Muskrat, costing another \$15,000. There is up to about \$95,000 in that programme in that area.

Mr. Stokes: From where? You said it's going into Bearskin and Muskrat Dam.

Mr. W. Melinyshyn (Programme Office, Priority Development Branch): From Round Lake. It's the extension from Round Lake.

Hon. Mr. Rhodes: We are going to continue with another \$100,000 in the Moosonee to the

Attawapiskat area as well. We are continuing that programme and expanding it. That particular winter roads programme has found a great deal of favour with the native people in the area. They find this far superior to any permanent road, as you know. They are happy with the idea that they can take their supply trains or tractor trains, snowmobiles, and what have you and get in and out during the winter months with their supplies. They really don't want the year-round road for a number of reasons. First, they don't want tourists coming in.

Mr. Stokes: The road from Menako to Round -17 miles of it—is over water.

Hon Mr. Rhodes: That's right.

Mr. Stokes: They feel as though we are not closing in on them.

Hon. Mr. Rhodes: That is right. In the discussions that we had with them, going back to a little over a year ago at the Novak conference, one of the things the Indian chiefs wanted was to show us where they would like the route of the road to go. In many cases, just as you suggested, they routed them right across lakes because they knew they were not going to be there when the breakup came. We are continuing with that programme and, as I say, going up to \$95,000 in an area where we spent \$65,000 last time. We are expanding that and putting another \$100,000 into the Moosonee and the Attawapiskat.

Mr. Stokes: There is only one thing that bothers me, and I think I am the least political guy in this room—

Mr. Haggerty: Don't choke on it.

Mr. Stokes: There is one thing that bothers me. Round Lake is in a Tory riding, Muskrat Dam is in a Tory riding and so is Bearskin in a Tory riding. Attawapiskat is in a Tory riding. Take a look at the map some time and Thunder Bay runs right up between Kenora and Cochrane North. There are communities up there that need these services just as much as those ridings that are represented by Conservative members.

When you are sitting down allocating funds, whether they be from this ministry or the Ministry of Natural Resources or from the NORT Fund, take a look at the nine communities in the far north—in the riding of Thunder Bay—that have the same kind of problems as those communities in Kenora and Cochrane North.

Mr. P. Taylor: You are not very political, eh?

Mr. Stokes: There is one other thing I wanted to get in on. It is probably more appropriate under design and planning, but—

Hon. Mr. Rhodes: We are actually under research and development now.

Mr. P. Taylor: We passed planning.

Mr. Stokes: Okay, I will wait until design.

Mr. Chairman: Item 3 agreed to. On item 4.

Mr. Haggerty: Wait a minute.

Mr. Chairman: Oh, I forgot about you, Mr. Haggerty.

An hon. member: Don't you ever forget about Ray Haggerty.

Mr. Haggerty: Never.

Through you, Mr. Chairman, to the minister, has the ministry done any research at all perhaps concerning the energy crisis that exists today? Have you done any research into perhaps reducing the large cars on the roads? Have you given any direction at all to the automobile industry and suggested that, instead of making the 452-cu-in. engines, they stick to the 302 or something like that? Have you given any direction at all to conserve energy in the Province of Ontario?

Hon. Mr. Rhodes: Yes, there has been some work on that and I would ask Mr. Campbell to comment.

Mr. Haggerty: Has there been any research done on the type of carburetors that are perhaps available and that could use less fuel in the automobile engines? I understand that there are supposed to be different types of carburetors on the market, or ready to go on the market, that would be fuel saving.

Hon. Mr. Rhodes: I will ask Mr. Campbell to comment on that. He is in charge of that area.

Mr. I. C. Campbell (Executive Director, Research and Development Division): The research and development division does do a research programme with the Minister of Energy (Mr. Timbrell) on these matters. They have just been going for about three months. Nevertheless, we have got quite a wide programme. I will just list some of things that we are doing:

We are doing study and evaluation of fuel economizing devices which are precisely that. We are looking at fuel injection and different types of carburetors. We are looking at the benefit return analysis on emission control. Emission controls which have been developed

recently on automobiles have caused a reduction of fuel consumption. We are looking at ways of improving the fuel consumption with emission controls. We are looking at reducing dynamic drag—particularly on trucks. We are looking at the recycling of wastes, oil and anti-freeze, so we can reuse this waste material. This has a very good environmental effect too.

These are our current programmes. They should have quite an effect on saving gasoline fuel and automobile fuels. Regarding the size of the motor, we're not doing anything on that. We know that the smaller motor consumes less gas than the large motor. I think it is a matter of individual persons purchasing these to realize the cost, but for the carburetors and fuel injection, yes, we are doing work on that.

Mr. Haggerty: Are you getting any assistance at all from the automobile manufacturers in any of these programmes? Surely they must have some research done on certain types of fuel injection systems.

Mr. I. C. Campbell: Yes, they do other work and we are very cognizant of what they are doing. But the manufacturers deal directly with Ottawa. That is the link between the manufacturers and with Ottawa, the federal government. But we are very much aware of what they are doing in this field.

Mr. Haggerty: Who is doing the research now on the different items that you have mentioned here—fuel injection, emission controls and air dynamics I guess it is—on trucks that you're talking about, such as design of the cabs and the trailers and that? Who is doing the research on it?

Mr. I. C. Campbell: The research engineers and our ministry.

Mr. Haggerty: In your own department. Ontario Research Foundation is not doing anything then?

Mr. I. C. Campbell: No, we might contract some work out when we get further into our programme, but presently we are setting up our own programme by our own people.

Mr. Gilbert: As Mr. Campbell says, Mr. Haggerty, we are working with the Ministry of Energy and as the Ministry of Transportation and Communications, we are taking on these projects. It's agreed with them that we would carry out these.

Mr. Haggerty: Of the \$6,345,000, how much is allocated for this particular type of research then?

Hon. Mr. Rhodes: \$216,000 for research support on fuel economy to the Ministry of Energy. We operate in a support capacity with them.

Mr. Haggerty: Where is the other \$6 million being spent then? What type of research are you doing in your ministry then?

Hon. Mr. Rhodes: This covers the full gamut in research that goes on into light rail transit, the seatbelt programme, lab and testing instrumentation, metric conversion, electrical mechanical research, articulated vehicles, drinking and driving studies, the effect of alcohol on drivers, traffic studies, automotive vehicle research, roadside hazards—all these things go into that research and development programme. Don't forget, that in that \$6,345,000 salaries and wages and employee benefits and what have you are all included.

Mr. Stokes: How much of the \$10 million that you asked for last year did you actually spend, because you're down \$4 million from what you asked for last year?

Mr. Haggerty: That was a 100 per cent increase from 1973-1974 estimates.

Hon. Mr. Rhodes: Remember there was a substantial reduction in that \$10 million last year on the transit levitation system.

Mr. Stokes: What, magnetic levitation?

Mr. Haggerty: Have any of your staff ever been down to the historic old museum in Ridgeway, Ont., where they've got a picture and I guess some information concerning perhaps the first elevated transportation system in Ontario that was built back in 1897 from Ridgeway to Crystal Beach? It used to take passengers from the trains that stopped at Ridgeway and transported them maybe 2½ to three miles to the park down at Crystal Beach.

It was an elevated trestle type of affair run on electricity. They used to charge the batteries at one end and when they got to the other end they'd be charged to come back again. I understand they went around curves. There is a picture down there now. Maybe it is worthwhile taking a look at. Those engineers back in the hay days knew what they were talking about.

Hon. Mr. Rhodes: It was probably steel wheel on steel rails.

Mr. Haggerty: I don't know what it was, but it moved people. That was the most important thing.

Hon. Mr. Rhodes: But I was wondering whether it's steel wheel on steel rails?

Mr. Haggerty: I couldn't tell you that much about it.

Hon. Mr. Rhodes: Oh, you didn't pay much attention to it.

Mr. Haggerty: No, it was before my time.

Hon. Mr. Rhodes: Not far.

Mr. Haggerty: Farther.

Hon. Mr. Rhodes: Are you finished, Mr. Haggerty?

Mr. Haggerty: I thought maybe they would send out somebody who was interested in modes of transportation. There is something that is worthwhile looking up. You might do a little research. It might come in handy. They used to have the automatic cars back in 1903 and they just brought it about in the last 10 to 15 years on the market here.

Hon. Mr. Rhodes: Automatic cars?

Mr. Haggerty: Sure, automatic transmissions they used to have.

Hon. Mr. Rhodes: Oh, automatic transmissions? I thought you meant—

Mr. Haggerty: They designed them.

Hon. Mr. Rhodes: There is not much question that the streetcar today is not much different from the streetcars back in the early 1900s. I think if you ask Mr. Sargent he would agree.

Mr. E. Sargent (Grey-Bruce): You started it.

Hon. Mr. Rhodes: I am just warming up, Ed.

Mr. P. Taylor: Don't ask Mr. Sargent anything.

Mr. Chairman: Mr. Spence.

Mr. J. P. Spence (Kent): Yes, Mr. Chairman, I would like to ask, is this where you discuss the white line on highways? Across the Province of Ontario you find different areas where the white line is quite faded and of course on a rainy night or a dark night, sometimes it is quite hard for you to see whether you are in the centre of the road or not. There has been some research done by your department, Mr. Minister, in regard to using glass.

Hon. Mr. Rhodes: We use glass beads that are made in St. Thomas.

Mr. Spence: I would say that's right too, but you were doing some research on this white line with glass.

Hon. Mr. Rhodes: I think we have been using glass beads for some time as reflecting material in white line painting, but I believe you are perhaps referring to some experimentation with a plastic?

Mr. I. C. Campbell: Yes, there is experimentation going on all over North America. We are not doing any experimentation within our ministry. We are very carefully watching the tremendous effort which is being done in the States, particularly the USA, and so far there is nothing coming out of it. The problem of the water over the glass beads and over the other materials is a real problem. They are thinking of putting little stalks on the beads now to see if they will project above the water film, but there is a lot of problems with that too. We are not doing any, because a tremendous amount of work is already being done. There is no point in duplicating it, so we are very carefully watching what is going on. So far there has been no remedy.

Mr. Chairman: Mr. Sargent.

Mr. Sargent: Mr. Minister, I, like Jack Stokes, am the most non-political member here too, but I recall last year we were talking about the Tobermory airport and you mentioned that you'd look into it. The fact is that the government is spending millions of dollars in land acquisition in the peninsula and we have an airstrip there that will handle twins. It is about 4,000 ft.

I am very happy with the thrust of the government in the north country with your air programme. I think that that is a fantastic way to open up Ontario, and that is the answer for the future, but I hope you will bear in mind that in western Ontario we are not serviced by rail at all, and I know you are aware of the need for a STOL system there. I know you are looking at it, but population-wise we have a comparable need to handle people there as you have in the north country. I don't think that I am going to get any commitment from you in that regard.

I would point out that there is a great need, with the new ferry up there, to develop that Tobermory airstrip and apparently, I understand, it is growing over. It isn't being used. I would also like to ask you what your thoughts are with regard to highway landing strips, alongside highways.

Mr. Chairman: This should really come under vote 2306, the air programme, should it not?

Mr. Sargent: It says air modes here. I don't know how you define air modes.

Hon. Mr. Rhodes: I think two things: First of all, in that particular area of the province that you're talking about, up in the Bruce Peninsula area, there is a need for an overall transportation upgrading, I think, of not only highway, but rail and air as well.

Mr. Sargent: No rail; there's no possibility of rail. The only answer is a STOL system.

Hon. Mr. Rhodes: We were discussing the development of a STOL system on Friday briefly. A study is going on now involving the four levels of government—the federal government, ourselves, Metropolitan Toronto and the city of Toronto—on the Island's capabilities, and whether or not that can be a major STOL airport.

Mr. Sargent: What are your thoughts on that?

Hon. Mr. Rhodes: I'm in favour of STOL. I think STOL is an excellent idea.

Mr. Sargent: With the Island as a base?

Hon. Mr. Rhodes: Whether or not it's the Island I don't know. We'll let them study that and see whether it's the Island, Downsview or somewhere else.

Mr. Sargent: In the short moment I have, Mr. Minister, I want to say this: I've been flying all my life and I know you're very air-minded. That is the greatest asset the city of Toronto has and everybody is kicking the hell out of it and doing nothing about it. That's a beautiful asset. Right in the heart of the city we have a beautiful airport and no one is doing anything about it.

Hon. Mr. Rhodes: I don't think that's fair to say. I think we can say that airport at the Island certainly was in some jeopardy and through the concerns expressed by the federal government and ourselves, adequate funding was found to keep that going. At the same time, as you know—

Mr. Sargent: Do you participate in that?

Hon. Mr. Rhodes: Yes, sir.

Mr. Sargent: How much; what per cent?

Hon. Mr. Rhodes: It was \$130,000 from us and \$170,000 from the federal government. It was \$130,000 because we didn't want to muddy the waters of the situation. We put it in as a subsidy for that ferry service back and forth to the Island Airport. The \$170,000 came from the federal government toward the operation of the facility over there. Both governments are participating.

As you well know, there is a certain amount of opposition within this area itself—the Metropolitan Toronto area and particularly the city of Toronto area—to that becoming a STOL airport. I think that will all rear its head in the course of this study which is going on and it is as a result of this opposition that the study is going on.

I want to come back to your area. I have said before and I want to mention again the success of the norOntair service in northern Ontario, the facilities which have been provided and the good transportation now being provided to people who did not have it. I think it should be extended into areas like your own and into other parts of Ontario which do not have the capability, population-wise, to handle a full airport as such; where the jets are not going to go for some time to come. I think that programme can be extended, and should be, into communities like yours. We are looking at it now.

Mr. Sargent: When? In your lifetime?

Hon. Mr. Rhodes: I sure hope so. The landing strips along the highways, I was never very familiar with that—and I'm just repeating something I said last week—until I went to Ohio and saw the programme they have there. You may be very familiar with it. They have airstrips in 84 of the 88 counties in that state, all of which are built adjacent to either a state highway or an important county arterial route. They are working out magnificently. It's an excellent programme. You can see the benefit it has to every area one of these facilities goes into. It is a programme involving the state and the county and, in some cases, the municipality directly involved. It's an excellent programme.

Mr. Sargent: Will you subsidize that?

Hon. Mr. Rhodes: Yes, I think you probably would have to subsidize that. That sort of a programme would have to be subsidized.

Mr. Sargent: Will you include that in your research and development for 1976?

Hon. Mr. Rhodes: We are into that part now.

Mr. Sargent: I've got some locations for you.

Hon. Mr. Rhodes: I'm sure you have.

Mr. Sargent: One more thing on this research and development. I travelled last week by car to New York on the New York Thruway. If the minister or Mr. Gilbert has never made that trip, it is a lesson in signing. It is fan-

tastic. Every 10th of a mile is marked so that if there's an accident at 427 3/10 you can pinpoint immediately where the accident is. I think that would be a great project to have on our highways here.

Hon. Mr. Rhodes: It's the number of miles between communities, is it?

Mr. Sargent: No, it's exactly what the mileage would be from here to, say, the Lakehead, 600 miles, so at 310 9/10 you would know exactly where the accident is. It's signing at every 1/10 of a mile.

Hon. Mr. Rhodes: To the Lakehead it's 900 miles.

Mr. Haggerty: It's marked like the railroads.

Hon. Mr. Rhodes: Yes, I see what you mean.

Mr. Sargent: That is something, that is. Also, while we are on the subject, in our country I have always had problems with getting resorts to have signing on the highways, because of your policy of not allowing it for camps, etc.

Hon. Mr. Rhodes: On the 400 and 401, that sort of signing is up at every mile.

Mr. Sargent: Well, in the States it is every one-tenth of a mile.

One more thing, Mr. Minister, with regard to the Grey-Bruce resort area. The resort people have trouble getting identification for their places because of your policy with regard to signing on highways. Maybe that is a plus or minus, but in our area it is very important as identification for the camps. Going down through New York, every big motel has big signs out on the highways. They are allowed to do that down in the States, but you won't go along with that here? I think you should encourage it.

Hon. Mr. Rhodes: I don't think that is necessarily so on their freeways, is it? I know that there has been a real backlash—if that is the right word—on many of the interstate highways in the US. They just take down all large signs and do not allow them. I have never travelled in New York State but in Michigan, on I-75 for example, the signing is right down to—

Mr. Sargent: Each state is different.

Hon. Mr. Rhodes: Each state is different.

Mr. Sargent: Do you deal with train service under this vote?

Hon. Mr. Rhodes: No. You are talking about the committee that is working on the train service into that area?

Mr. Sargent: Yes. It says rail, water and air modes. I'm not surprised if you don't know, because they don't know up there either. They have about 50 people up there, and no one knows what is going on. There are a couple of men there from your department saying they can't commit the government, and it's a sad affair. They bring people from all over the area to talk about the train system, and no one knows what is going on.

Hon. Mr. Rhodes: I think what is happening there is that the presentation that these people have been making is coming to the resource development policy field. I think these are preliminary meetings we are having now, to establish some sort of presentation to be made.

Mr. Sargent: Somebody should hold their hand or something.

Hon. Mr. Rhodes: Frankly, we are not doing much in that area.

Mr. Gilbert: We were asked to supply information. In fact, part of that I think was the request last year to assist in the ski train up there—

Mr. Sargent: That's right.

Mr. Gilbert: —as you will recall, Mr. Sargent. Any funding we would put into that type of thing would come out of our provincial transit vote. But right now our only involvement to date—

Mr. Sargent: Will you do me a favour! Would you just pass the buck then and, say, take some of the money from Maple Mountain and put it into that? Is \$80 million okay?

Hon. Mr. Rhodes: Do you know that there is no money in Maple Mountain?

Mr. Sargent: We know it.

Mr. Good: No politics, either.

Mr. Sargent: So there is nothing going to happen there?

Mr. Gilbert: As far as we were concerned, we were asked to supply information to our policy field, but the only commitment that our ministry has been asked to undertake to date was money for the three ski trains last year—which we have repeated again this year. They would be available on an experimental basis. And that would come out of the provincial transit vote, wherever that is.

Mr. Sargent: Isn't the hypothetical question: Will the federal government allow you to use the tracks?

Mr. Gilbert: I don't know. This is the kind of information that certainly has to be answered. And another thing, too, Mr. Sargent, is if you ever started something like that, are the tracks adequate to carry that kind of operation?

Mr. Sargent: Good question.

Mr. Gilbert: I mean, we don't know.

Mr. Sargent: I doubt it. That's all. Thank you.

Mr. Chairman: Mr. Rollins.

Mr. C. T. Rollins (Hastings): Yes, Mr. Chairman. Mr. Minister. Up in Hastings county we have a place called Bancroft that has a very meagre airstrip as part of our transportation system there. We have excellent roads, but we do need a rail system. It doesn't seem that in our area we come under the classification for assistance of these airstrips. I'm wondering if the minister would consider adding to the classification or the jurisdiction so that we in Bancroft could get assistance on that?

Hon. Mr. Rhodes: I think what I would have to say to you, as I said to Mr. Sargent earlier is, that at the present time the government policy is that the airstrip assistance programme and the provision of this sort of air service is confined to that geographical area known as northern Ontario. It is not down into your area or into Bruce. It's not down into Parry Sound. The policy just doesn't apply to those areas.

Mr. Rollins: We are aware of that, Mr. Minister.

Hon. Mr. Rhodes: It's going to require a change of policy and—

Mr. Rollins: But there is a need. The mines are opening up there and are getting started; and it's needed for transportation and for various reasons to improve the area. I would hope that we would be considered on the same basis, because it's serving people and it's in an area that is not closer than Peterborough for the general airline service. Our people feel very strongly that they are being left out in the cold, so to speak, from the same consideration as to what is being given in other areas of Ontario.

Hon. Mr. Rhodes: I think it is fair to say to you that that's probably an understandable feeling because of the fact that our programme now is strictly confined to northern Ontario, to the communities that are far removed and much more remote in the broadest sense than

perhaps some of the communities in what is classed as southern Ontario.

I said earlier, and I say again, I think this particular programme can and perhaps should be extended into those parts of Ontario, such as your area and Mr. Sargent's area, to introduce that sort of air service by using the short-takeoff-and-landing type of aircraft.

Mr. Stokes: It should be remembered that the "highways in the sky" programme in the north is serving communities where there is no other means of transportation. There is no road network.

Hon. Mr. Rhodes: Or in many areas where you do have a regularly scheduled service, like the northern service, you are tying together communities. For example, we certainly don't tie in Sault Ste. Marie, Sudbury, Thunder Bay or Timmins with Toronto; that's carried out by Air Canada or Transair. What we are doing is connecting the Soo, Sudbury, North Bay, Timmins, Kapuskasing, Thunder Bay and now Fort Frances, Pickle Lake and these other communities; we are tying these communities together with an intercity service, but at this stage we are not supplying a main-line type of carrier down to the major metropolitan centres.

Mr. Sargent: What is your programme costing you?

Hon. Mr. Rhodes: The total air programme? That comes up in another vote later on, and we have a breakdown of the figures.

Mr. Rollins: Mr. Minister, would it be fair to ask for a study to be made of the feasibility of having this area included? It's an area that, without this type of service, won't develop on its own.

Hon. Mr. Rhodes: We are doing that sort of study now; as I suggested to you, that's one of the things that started off the study of the STOL service. Frankly, in your area and, I think, in Mr. Sargent's area, as well as others in the province, it is not a question of wanting to get from Owen Sound over to Bancroft; it's a question of getting from Owen Sound down into the Metropolitan Toronto area. Your obvious desire would be for your people to come this way for business purposes.

Mr. Rollins: They either have to drive to Peterborough and leave their vehicles there or go over to Pembroke.

Mr. Sargent: Is your air adviser here now?

Hon. Mr. Rhodes: No, he is not.

Mr. Sargent: What about the Islander? That's a 12-place deal; that would handle what Mr. Rollins is talking about and what I'm talking about.

Hon. Mr. Rhodes: I'm not familiar with the type of aircraft you could use—

Mr. Sargent: It is a 12-place, \$250,000 airplane.

Hon. Mr. Rhodes: It would probably handle the job.

Mr. Sargent: It would handle the job.

Hon. Mr. Rhodes: But I'm simply saying to you that we are talking about two entirely different programmes, if you will. At this stage we are talking about a kind of hubbed spoke sort of thing coming into this area, which is the desire of the people, as opposed to what we have in the north now, the programme we run, which is the connecting up of various northern municipalities so they can interline with Air Canada or Transair and go on to the major municipalities like Toronto, Winnipeg and what have you.

Mr. Stokes: They provide a feeder service.

Hon. Mr. Rhodes: Yes, as a feeder service. What you are talking about is a pure STOL service, which would run into, say, Toronto Island Airport or perhaps with some landing at Malton for the purposes of interlining with the other carriers and going on to other places. I see nothing wrong with that service, and that's the study that's going on now by all four levels of government regarding the Island situation. At the same time, an overall picture is being looked at in terms of STOL service in general in the southern part of Ontario.

Mr. Rollins: It certainly is a service that would be very welcome and very much appreciated, Mr. Minister, because with the development that is going on in that general area, I'm sure it would warrant it on the same basis as it would in any other part of the province, whether it is northern Ontario or southern Ontario. I know that we don't have it, and I just like to hope that the study could—

Hon. Mr. Rhodes: Both studies are going on right now, one on airports and one on the STOL service.

Mr. Rollins: That's one question, and I just couldn't let it go by, Mr. Minister, with vehicles on the road.

The trucking business is getting so complicated with engineers and equipment that it's making it difficult for those who are in the

business. Possibly, the practical side could be looked at concerning these motors, whether they are gas or oil. I believe that as far as fuel consumption per ton is concerned, that some of the mandatory requirement may have cut the mileage down.

When you get certain motors with so much resistance in the mufflers that they're burning the baffle plates out because of the resistance to so-called pollution, maybe there's room to examine some of the programmes that they have implemented in the regulations in this regard. As far as some of the heavier motors versus some of the small ones goes, depending on the driver they're not consuming all that much more in gas mileage. The safety factors built into some of the vehicles are very important.

In our county we're very dependent on trucking to bring commodities in at a reasonable price and to take our timber out. If you start cutting down on some of the tractors that are hauling timber out, why it would certainly affect our economy.

Hon. Mr. Rhodes: If you're talking about the pollution abatement equipment required on vehicles, that, of course, is beyond the scope of my ministry. It's a standard that's been established at the national level and is required of all automobiles and vehicles that are manufactured and sold. It has nothing to do with this ministry if pollution abatement equipment is causing some problems with the vehicles. I have one that burns a fair amount of gas as a result, I can tell you.

Mr. Rollins: The scarcity of product, Mr. Minister, I think has been overplayed. I don't think at the present time that there's as serious a shortage of petroleum products as some people might like you to believe.

Hon. Mr. Rhodes: I'm not going to get into that debate. I'll let you discuss that on the estimates of the Ministry of Energy.

Mr. Rollins: It happened to be mentioned here, and I just couldn't let it go by without making some comment.

Mr. Ruston: I was reading in a Detroit paper the other weekend where someone's got a brainwave in the States on how to make gas go farther. He's got a new chemical which he adds to gas, and then he can add two-thirds water to it and it's supposed to run just as well. Maybe that will solve it.

Hon. Mr. Rhodes: That's relatively new; that's called the steam engine.

Mr. Ruston: No, not this.

Mr. Chairman: Item 3 carried?

Mr. M. Cassidy (Ottawa Centre): Mr. Chairman, on item 3, I'd like to ask the minister just a bit about the post-mortem on the Krauss-Maffei system. I understand it's been raised during the course of the leadoffs on these estimates, and nothing more. I'm just going through some of the material here, and I suppose I should send along an article that I wrote in the *Globe and Mail* some time around May, 1973, just about two years ago.

Like a Pollyanna, I suggested that the government was going off on the wrong track with the Krauss-Maffei system because of the fact that you were investing so much in sophisticated technology and trying to do so much at the same time that you were bound to blow it. At that point, it took some courage to say that because I was up against the numberless hordes of public relations people and information flacks who support the ministry in putting forward a tremendously good show, and all of the very confident predictions that were made by the government, including \$6 billion worth of market.

This is a very nice one from the Premier when he was speaking in Miami to receive that award. He said:

I must tell you that when you make a decision such as the Spadina decision, it has an immediate energizing effect on many of your planners and advisers. When you shatter the mould of conventional practice a refreshing spirit of creativity and innovation emerges.

Well, I suppose that's true. It's a pity that it led us so far off base.

What has now happened with the commitment to rapid transit which the Premier enunciated in that speech and which was enunciated at the time of the Spadina decision? How fast do you intend to go? What are you going to do to work with the municipalities? Hamilton, for example, which is interested but simply can't see its way to affording a 25 per cent share of rapid transit investment. Or Ottawa, which is having much of the same kind of problems. Or is it now the policy of the ministry to try to get municipalities to go the route of buses and traffic light improvements and laning and that kind of thing and simply not to go into rapid transit at all?

Hon. Mr. Rhodes: No, I don't think there has been any change as far as the programme that was announced is concerned. One of the major components of that, of course, was the subsidy programme, the 75 per cent of capital—which I point out again is the highest subsidy

paid by any jurisdiction in Canada today on acquisition or capital costs. The 50 per cent subsidy of operating deficits; that programme is still there. We are still continuing in the ministry and in the OTDC a programme which has continued all along for the development of light rail facilities and light rail equipment.

You point out what the Premier said—I think that is right. I think since that announcement was made there has probably been more done in the Province of Ontario in the development of better facilities for light rail. There have been improvements made in the type of vehicle which can be used, the type of car, call it streetcar or call it light rail. There have been great improvements made in the noise factors on these things, in cutting down on the amount of noise; there are better types of rails, generally looking to consuming less energy. This programme is continuing. It has always been there. I know it has been great sport to say the government had put all of its eggs in the one basket.

Mr. Sargent: Could I interject a question here? The adviser who recommended that system, is he still with you?

Mr. Stokes: Where is Mr. Foley?

Hon. Mr. Rhodes: Mr. Foley is still here.

Mr. Sargent: Is he the man who recommended the system?

Hon. Mr. Rhodes: No, Mr. Foley didn't recommend the system.

Mr. Sargent: Who is the man who recommended the system?

Hon. Mr. Rhodes: I don't know. I wasn't here at the time it was recommended.

Mr. Sargent: Do you know if he is still with you?

Hon. Mr. Rhodes: I couldn't tell you. I don't think so.

Mr. Sargent: You must know him.

Hon. Mr. Rhodes: I don't think he ever was with the ministry.

Mr. Sargent: In private industry—

Hon. Mr. Rhodes: The man who recommended it? No. I know the one. He is no longer with me.

Mr. Stokes: Mr. Armstrong.

Mr. Cassidy: Mr. Armstrong went to Montreal to the transportation and development commission.

Hon. Mr. Rhodes: He is no longer with me. That's right; Mr. Armstrong.

Mr. Sargent: He got the boot, did he?

Hon. Mr. Rhodes: I don't know whether he got the boot or whether he just thought it might be wiser to move on to other fields.

Mr. Cassidy: The ministry was very happy with his advice. He left and he left the house of cards behind him.

Hon. Mr. Rhodes: The house of cards—it's great sport, as I say, for you and others to point at the house of cards but I want you to tell me, if you can, what this house of cards was. The house of cards, as I see it and as you like to refer to it, is the fact that we do not have a demonstration project sitting down at the CNE.

That demonstration project is not there because it was cancelled. It was cancelled for a variety of reasons and I am not going to go all through this variety of reasons but I personally am not at all disappointed that there isn't a demonstration project of mag-lev sitting down there. If the thing is not going to be workable, there is no point in building a guideway and running a few cars up and down. I am simply saying to you that magnetic levitation as a technology is real; it's there; it's working.

Mr. Sargent: Where?

Hon. Mr. Rhodes: In Europe. In Germany today you can get on a mag-lev vehicle and ride on it.

Mr. Sargent: Krauss-Maffei is working?

Hon. Mr. Rhodes: Yes.

Mr. Cassidy: I don't think it would be called a demonstration project.

Hon. Mr. Rhodes: The West German government is still carrying on with experimentation and development of what it calls its Transrapid system, which is magnetic levitation.

Mr. Sargent: How much did the whole snafu cost? How much for the whole package? So far?

Hon. Mr. Rhodes: How much did it cost the Ontario government?

Mr. Sargent: Six million?

Hon. Mr. Rhodes: No, goodness no. I don't have those figures right here but we will make them available. I expected this would come up

but I didn't think it would come under this vote. But we do have these figures—I think they are available—as to what it cost us.

What Mr. Sargent is asking, for the benefit of the staff, is how much money has it actually cost the Province of Ontario in dollars. I am not talking about the total programme or the refunding of money which came back to us—the \$8.5 million that we got back, plus an agreement that we worked out with the K-M people to be reimbursed up to a maximum of \$10 million. The \$8.5 million was paid to us in a lump sum—as you recall, I removed it from the estimates last year—and then we were required to provide documentation as to what our costs were to get the other \$1.5 million back. These figures will be presented to you as to costs.

But to say that we have abdicated our involvement in rapid transit is not correct. No, we aren't pushing everybody into buses at all. I can only say again that we have not said to any municipality anywhere: "If you want to go into a transit programme, then our subsidy programme will apply." The municipalities determine whether they want to go light rail, or whether they want to go buses, or whether they want to go any other mode.

Mr. Sargent: On the Union Station deal?

Hon. Mr. Rhodes: That's an entirely different situation.

Mr. Cassidy: Mr. Chairman, there are a couple of things which disturb me about what the minister has said. I found the article here that was written back in April, 1973, and one of the things it pointed out was that there had been no public debate about the whole venture of the government into new forms of transit technology and the only real jury, as it said here, was the team of 35 ministry experts who had been working along with outside consultants for three years to come to that week's decision, and that was the choice of Krauss-Maffei.

The minister says, "We have been working on light rail all along." The fact is that the ministry was not. The ministry has been working on light rail for the last 1½ years, when it became evident that there might be problems with Krauss-Maffei, but if I can say this, Mr. Minister—

Hon. Mr. Rhodes: I have to correct you on that.

Mr. Cassidy: If I can just say this—

Hon. Mr. Rhodes: But you made a statement that is not correct and I want to correct it.

Mr. Cassidy: Okay.

Hon. Mr. Rhodes: The director of the research and development branch of the ministry is here.

Mr. I. C. Campbell: We have been working on LRT for about three years altogether, one way and another.

Mr. Cassidy: You are Mr. Campbell?

Mr. I. C. Campbell: Yes.

Mr. Cassidy: I came to see you, Mr. Campbell, to ask specifically about this subject, and I asked around the ministry and asked the minister at the time, "Why are you not evaluating light rail along with the other kind of alternatives?" and I got no satisfactory answer. There was a deliberate decision to turn the ministry's back on light rail at the time that the Krauss-Maffei decision was made.

That is water under the bridge, but the tragedy of it is that you could have light rail systems in operation in Toronto and either in Hamilton or in Ottawa now, if a decision had been taken back in 1971 or 1972 that the minister wanted to go into this innovative form of rapid transit, which was already well developed in Europe and which fitted in very well with the kind of tramway or streetcar conditions which we had developed and held onto in Toronto, almost alone of cities in North America. But, oh no, the ministry decided that it would seek grandeur rather than an effective system that would meet the needs. It was like buying a Cadillac with fins rather than looking for a Volkswagen or a Pinto, which would look after the needs and meet the very real problems which were analysed when you decided you needed some other alternatives besides heavy rapid transit.

I say all this in sorrow, because I think a lot of very valuable time has been lost and I think you have lost your sense of headway now. You have lost your sense of direction and you are not regaining it. The municipalities that might come in with a light rail programme, for example, are not getting leadership or support from the ministry. They are churning out study after study here and there. This has certainly been the case up in the Ottawa area.

I am afraid to say this, but because of the amounts of dollars concerned and because of the very rapidly escalating costs, it hasn't needed ministry press conferences about maglev. It has needed some concrete ministry leadership to get the mayors or the regional chairmen, sit them down and say, "Let's set a deadline and a timetable for bringing rapid transit to your municipality. We in the Min-

istry of Transportation and Communications will do everything we can in order to help you with the technology, help you with the construction costs or the expertise you need," and so on and so forth. That's the kind of leadership that was needed and that is the kind of leadership which has been wanting.

The ministry has said from the beginning that if a municipality wanted to go into light rail or some other form of technology, of course it could do that. It has also said that if the municipality wanted to apply for the grants, it could do that as well. But it was very clear this ministry wasn't very interested in that. It was very clear that Krauss-Maffei was the ministry's baby and, boy, that was the system you had better go with if you wanted to keep on the good side of Queen's Park. Don't go sort of playing around with some other form of technology, proved or unproved, because you were liable to get into all kinds of screwup as far as the minister was concerned. That, I would suggest, is the impression people got out there in the municipalities which were affected.

Then you had the TTC, which is the most competent of all the transit authorities, which wanted to go ahead but once again it didn't get the leadership of the ministry. Instead of which, it got a series of confusing edicts and a sense of direction which it knew was doomed to fail. The TTC said it was doomed to fail and all it could do was try to wriggle free from it and get commitments either to light rail lines or rapid transit lines because it knew your system wouldn't work.

Hon. Mr. Rhodes: Let's talk a little bit about your Ottawa situation. It's one you've mentioned; one you are familiar with. I'll ask Mr. Bidell to answer; he has had a lot of discussion with the Ottawa area on rapid transit.

Mr. Bidell: Yes, I have been associated with the technical people from the regional municipality of Ottawa-Carleton and the National Capital Commission on a transportation administrative committee for some time now. About a year ago, we did address the whole problem of rapid transit or intermediate capacity requirements in the city of Ottawa. As a matter of fact, we devised a whole schedule for three different forms of rapid transit.

One of them was the Krauss-Maffei, kind of system; the other schedule was for an LRT system; and the other schedule was for a busway system. We did consider them in great detail. As a matter of fact, the technological aspect of things was really a minor thing. It was a schedule which would be required to imple-

ment any one of these based on all the requirements which go far beyond the technological aspect of things.

First of all, the official plan situation in Ottawa—to take that as an example—had to be settled first before any decisions could be made as to the selection of actual routes, never mind the technology. Then there were the feasibility studies for the selection of routes. To make a long story short we did come up with very precise schedules for what would be required in time to implement rapid transit based on either one of those three different technologies.

This was submitted to the regional municipality of Ottawa-Carleton council as a recommendation from this committee. As far as the province is concerned, we did take a very active role in that respect. As I say, it went beyond the technology we are discussing at this time, that is the Krauss-Maffei system.

Mr. Cassidy: As I say, Mr. Chairman, you get judged by results. I get this with my kids and I think it's true in government as well. As far as results are concerned, in the four years the government has been playing around with intermediate rapid transit, there has not been an inch of intermediate rapid transit capacity built in the province—not an inch, not a bit of it. There has simply been none. That is a failure of this government—you had pretensions to glorify technology and as a consequence you ignored very concrete technology available in Europe, with which there is a great deal of experience here in Toronto.

What is the state now of research and development in LRT technology through the Ontario Transportation Development Corp., or through the ministry?

Mr. I. C. Campbell: Yes, the OTDC has developed the streetcar, which is ready for design. They are also investigating the ICTS modes to include off-studies on that.

An hon. member: What's the ICTS?

Mr. I. C. Campbell: Intermediate capacity transit. And in the ministry itself, we've done a whole range of operating strategies, assimilation studies to find out just what is the best way to run LRT systems. We are working on vehicle structure for crash worthiness aspects; we're working on safety. There is no such thing as safety standards in the transit industry, particularly in Canada.

We're doing real noise studies—that is, the interaction between steel wheels and rails. One of the big disadvantages of LRT is noise and vibration. There is a lot of work being done in

the UK and Europe on slap track or cushion track. There's a lot of work being done also on resilient wheels with elastomer inserts. We've designed what we think are improvements. We're testing wheels in our own labs at present for dampening of vibrations and noise in steel wheels.

We are looking at passenger handling and passenger processing so that we can improve the flow through stations. We're doing guideway research—guideway means track—50 per cent of the cost of transit is in these areas, we are very concerned about the cost and efficient design of such infrastructure.

In all of these things, in LRT, we are doing quite a lot of work.

Mr. Cassidy: I don't want to prolong this past the hour, Mr. Chairman, I just want to ask Mr. Campbell one more question. The Europeans are doing it. They have LRT systems that are working, I believe, in about 25 or 30 cities. What have we done in Ontario in order to benefit from their experience?

Mr. I. C. Campbell: We are very familiar with what the Europeans are doing and what people in the USA are doing too. The Europeans are ahead, yes. We're fully aware of what they're doing. We've been over there—we've been to Derby in the UK to see the British Rail establishment there. We are very familiar with what they're doing in Germany, in Brussels and in France. What we are doing here is just an extension of what they're doing in Europe. We think that even with the rail design and the wheel design that they have in Europe there are improvements that can be made.

Mr. Cassidy: I just say this in closing off, Mr. Chairman. We could study the thing to death if we're not going to provide it for another 10 years. But it would seem preferable to me if we took the best state of the art from Europe—obviously there would be some things that the French are better in and some things the Germans are good in and so on—and apply that instead of building LRT lines here in Ontario. That is part of the nature of LRT, that you can improve as you go rather than getting the perfect system before you pour the first bit of concrete. We could do that as well, and that's the route we should be going rather than constantly delaying, procrastinating and wasting time.

Hon. Mr. Rhodes: I'm not for one minute going to try to suggest that we have not lost time. I think that's a very fair and accurate criticism. We have lost time, although not

nearly the degree of time that some people would like to say we've lost. I do think though that one thing you have to keep in mind is that LRT is a technology that can be improved upon. We can say "LRT" all we want, but to the average person in this area or any community, we're going to have to be able to show them ahead of time something that will be acceptable in their neighbourhood.

When you talk LRT, people immediately think streetcar. In Ontario you think of streetcars that you see running in downtown Toronto. People don't like them. They think they are noisy. I'm not saying that they don't like them to ride on, but they wouldn't want them running through their backyard.

We're not talking about a streetcar that's going to lumber along as they do in downtown Toronto today—very slowly, with regular stops.

We are talking about the intermediate capacity system, much faster, as I know you are familiar with. And we are going to have to be able to tell the people in these various

neighbourhoods what we are talking about is something that can fit into their neighbourhood. They are not going to believe what you tell them—you know that better than I—they are going to have to actually see and hear and be able to feel that this can fit into their neighbourhoods without causing them any noise problems, that they are going to move much faster than the streetcars as we know them. These are things we are going to have to show them on LRT.

Mr. Chairman: It being 6 o'clock, Mr. Minister, could we carry this vote?

Vote 2302 agreed to.

Mr. Chairman: This meeting will recess until 8 o'clock.

Hon. Mr. Rhodes: We will start with vote 2303?

Mr. Chairman: Starting with 2303.

It being 6 o'clock, p.m., the committee took recess.

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Legislature of Ontario Debates

ESTIMATES, MINISTRY OF TRANSPORTATION AND COMMUNICATIONS

Standing Resources Development Committee

Chairman: Mr. R. K. McNeil

OFFICIAL REPORT — DAILY EDITION

Fifth Session of the Twenty-Ninth Legislature

Monday, June 2, 1975

Evening Session

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

THE QUEEN'S PRINTER
PARLIAMENT BUILDINGS, TORONTO
1975



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Daily index of proceedings appears at the back of this issue. Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff (Phone: 965-2159).

LEGISLATIVE ASSEMBLY OF ONTARIO

MONDAY, JUNE 2, 1975

The committee resumed at 8 o'clock, p.m.

ESTIMATES, MINISTRY OF TRANSPORTATION AND COMMUNICATIONS

(continued)

On vote 2303:

Mr. Chairman: Item 1. Mr. Taylor.

Mr. P. Taylor (Carleton East): Thank you, Mr. Chairman. On the question of the safety regulations programme under this ministry, I would just like to ask the minister a few questions inquiring into various philosophies regarding certain laws that we now take for granted.

First of all, I would like to ask the minister what philosophy it was—and I understand this came about before he became the Minister of Transportation and Communications—what was the philosophy behind requiring motor vehicle safety checks?

Hon. J. R. Rhodes (Minister of Transportation and Communications): I would think it was to make people more conscious of the fact that the vehicle that they were driving was one that should be kept in as good condition as possible so that there would be less opportunities for accidents on the highways as a result of mechanical failure or safety defects in the automobile. That is the philosophy I followed over many years, and I'm going back to the time when I was enforcing the Highway Traffic Act.

Mr. P. Taylor: Yes, that goes back a few years. Your deputy is trying to get a message to you.

Hon. Mr. Rhodes: It doesn't say anything. It says: "Why were you asked that silly question?"

Mr. P. Taylor: I would suggest, Mr. Rhodes, that you may be a little premature.

Hon. Mr. Rhodes: Excuse me. I want to withdraw that. It was not a silly question and I do not consider it one, but I thought—

Mr. P. Taylor: Oh, I'm not as sensitive as you are. I think you're a little premature in making that statement though. Is there anything you wanted to add, from your deputy or not?

Hon. Mr. Rhodes: No, no.

Mr. P. Taylor: All right. Let's just proceed then, because as I said these are programmes of enforcement, if you like, that we now take for granted, but it's not so long ago that we observed the fight with respect to motor vehicle safety checks. The programme is less than 10 years old in this province isn't it?

Hon. Mr. Rhodes: Herb, would you like to respond to this? Mr. Aiken is the gentleman charged with the responsibility in this area.

Mr. H. J. Aiken (Executive Director, Regional Operations Division): It's about that age. Originally there was a requirement for a dealer to indicate that the vehicle he was selling was fit for the road, but there were no standards set at that time and there was no test by which either the buyer or the user could establish that that vehicle was, in fact, a safe vehicle.

Mr. P. Taylor: Right. So, if I could just perhaps capsuleize or summarize what the minister and the gentleman have said, it was the feeling of the Legislature of Ontario, as it is the feeling of many other Legislatures in Canada, that individuals could not be relied upon to maintain their vehicles at sufficiently safe standards, and therefore the Legislature took it into its hands to legislate a programme that would enforce the owner of a vehicle to keep it at a certain standard, and the end objective was to save lives, prevent injuries and reduce property damage.

Without lengthening this process, Mr. Minister, would you say that much the same philosophy surrounded the idea to enforce the wearing of crash helmets for motorcyclists as well as for snowmobilers?

Hon. Mr. Rhodes: I would think there is a slight difference here.

First of all, I think it's safe to say that the Highway Traffic Act itself provided, in its various sections, certain safety requirements on vehicles, and it became obvious to law enforcement agencies, and I'm assuming to the ministry of the day, that many people were not abiding by the Highway Traffic Act. The laws were on the books. The only way you can really determine whether or not the law is

being abided by is to make periodic checks of the vehicles. Certain persons were found to be driving vehicles that did not comply with the requirements of the Act and so charges were laid; and in many cases charges weren't laid, they were simply required to bring the vehicle up to a certain standard; that is as it applied to the vehicle check.

In the case of helmets for motorcyclists, and now for snowmobilers, I think we probably got into an area where we were saying to the individual: "You have a responsibility unto yourself; and your responsibility unto yourself as it relates to the broad scene is that the injury you may suffer could become a cost factor, through hospitalization costs and medical costs, and if the injury was severe enough possibly through payments to the individual and to his family to maintain them with some degree of dignity." So we're simply saying that in order to protect the individual from himself, he should, in fact, wear a helmet so that should he be injured or fall off the machine he would be less apt to suffer these severe injuries. I think there is a difference there.

Mr. P. Taylor: Okay, I think it's very significant that you led off your explanation with respect to crash helmets by citing the fact that injuries sustained by people without these helmets would constitute a cost to society in terms of medical care, hospitalization and so on, and you follow that by the natural consideration, which is their own damage to themselves, resulting dislocation of families, etc. Then, of course, if you have someone who is maimed for life and thereby may need public support to maintain, as you said, a life standard of some dignity, what you're really talking about is cost to society in various ways.

Hon. Mr. Rhodes: Sure, and I think what we must remember is that we're talking now about a philosophy, and that philosophy will differ from individual to individual and from group to group. There are many people who look upon the legislation that was passed to provide for a person to wear a helmet when riding a motorcycle or a snowmobile, and other of the safety features which are to protect—the individual from himself—

Mr. J. E. Stokes (Thunder Bay): Everything except mopeds.

Hon. Mr. Rhodes: —there are many people who feel that is not the right philosophy; who feel that legislation should only be passed to protect—if I can use this approach—to protect you from me and me from you, but not necessarily you from you. Yet we pass legislation that does, in fact, protect you from you, and in

the long run we hope will perhaps protect all of society.

Mr. P. Taylor: I appreciate very much your answer this evening on this issue, because they amount to a very reasonable explanation why seatbelts should be required in automobiles.

Hon. Mr. Rhodes: You're talking to the converted.

Mr. P. Taylor: What I'm saying is that your government promised action by saying, in its own Throne Speech of a year or so ago: "Your will be asked to consider legislation with respect to seatbelts in automobiles."

Everything you've said in the last few minutes this evening amounts to a case for that. Given the explanations that you've just given us with respect to helmets and motor vehicle safety checks, I'm wondering when your ministry will cease all the studies and publications and so on and bring in a piece of legislation that will do something along this line.

We didn't get to motor vehicle safety checks overnight. We didn't quickly get to this stage where we've enforced the wearing of crash helmets by motorcyclists and snowmobilers. There was a fairly lengthy period of public education undertaken there, and one of the things that would enhance that education is to have some form of debate and public discussion of this issue.

We all can cite the figures from Australia and Sweden and some of the American states where reduced speed limits and safety belts have reduced the tremendous health care delivery costs; they've saved lives and they've reduced property damage.

I find it interesting that the Ontario Traffic Conference is a group that gives your ministry advice and its advice has been to urge the provincial government to make the use of seatbelts mandatory, as per page A14 of the Toronto Star on Thursday, May 29.

My own view is that, eventually, in so many areas of this life of ours that is becoming so technologically-oriented, we're going to have to make radical shifts in lifestyles along many lines. I think this is one of them.

I just want to leave you with that point without belabouring it, because I think you're suffering enough embarrassment. As you say, you're a convert to this area and you were not able to convince your colleagues to carry through the promise in the Speech from the Throne.

Hon. Mr. Rhodes: You may not want to belabour it, but you have raised some points—so I think it deserves some comment from me.

I've said before, and I will say it again, that I believe the wearing of seatbelts can and will save lives; save injuries. I don't agree with you that it would save property damage; I think you're going to have accidents. You're not going to stop accidents.

Mr. P. Taylor: Yes, that's probably so.

Hon. Mr. Rhodes: Yes, I believe they will save lives and I believe they will stop injuries. However, to say that I couldn't convince my colleagues of this; that's probably correct in one sense, but I think in its fullest sense you couldn't convince the general public in the Province of Ontario. For that matter, you couldn't convince the general public of this country that the wearing of seatbelts as required by law was good law.

I've had numerous discussions about this particular question, not the least of which was a very lengthy, in-depth discussion with ministers with responsibilities similar to mine from all of the provinces. It was determined from the information these gentlemen were able to provide that the same situation exists from Newfoundland to British Columbia. The people of the country were not prepared to accept this mandatory legislation. In fact, they felt we were imposing a law on them that they didn't require; that they were capable in their own way of determining whether or not they should wear seatbelts.

I have to agree with you that somewhere along the line a decision has to be made, and perhaps a similar decision to that made in the questions of helmets for motorcycle riders.

But there were many pros and cons in the tremendous volume of mail that I received. Many of the safety organizations had a consensus but not a unanimous position in support of seatbelt legislation. But on the whole, the general attitude was: "We have enough law. Allow us to wear our seatbelts as we see fit; convince people that it's a good thing to do, convince the manufacturers to provide a seatbelt that is convenient to put on and that isn't going to create an uncomfortable situation in the car."

I think you would have to agree, Mr. Taylor, that the two-way seatbelt now in the new cars is a much more acceptable form of seatbelt than the old lap belt and then the shoulder belt. We've noticed an increase in the number of people wearing seatbelts, and it may well be through an educational programme, particularly aimed at the communities, that people will start wearing their seatbelts. Call it a back-off if you will, but the general impression from police enforcement agencies was that it was not an enforceable law, that it was not

good law and that to put bad law on the books was not a good thing since you lost respect for the law enforcement agencies. I repeat again, I think seatbelts are a good thing and should be worn.

Mr. P. Taylor: But would you agree with me that we crossed that very important line on good laws and bad laws and over-legislation when we legislated crash helmets for motorcyclists and snowmobilers? A lot of people would say: "Why do they do that, but they don't legislate seatbelts?" To the uninitiated, if a motorcyclist falls off his bike and smashes his head, that's his fault and that's his business. But as you and I know it's a cost to society to care for that person.

But would you feel that eventually the objective should be—because of the clearly stated savings that would be achieved on hospitalization, Medicare and all these other costs—there is such a clearly stated case for saving through the use of seatbelts that eventually we'll have to do it anyway?

Hon. Mr. Rhodes: Yes, I think some day it will come. I think also though, by the same token we could say the same about the smoking of cigarettes, which I do with a great deal of regularity. We could probably save a lot of hospital bills by banning those, and I'm sure Dr. McIlveen would agree. I'm sure we could also save a lot of costs to society if we prohibited everyone from drinking alcohol. They tried that one time in the United States.

Mr. R. Haggerty (Welland South): That would probably greatly reduce the number of accidents on the roads too. Probably the whole root of it all.

Hon. Mr. Rhodes: They tried that back in the 1920s and 1930s with a limited degree of success.

Mr. R. F. Ruston (Essex-Kent): Very limited.

Hon. Mr. Rhodes: And made a number of people millionaires.

You talk about the law of seatbelts. I suppose it's a good law but I wonder what would happen if all of a sudden the Metro police came charging through that door right now. They'd only get me and Bud Germa, but they'd lock us up for smoking if that was against the law.

Mr. M. C. Germa (Sudbury): What are you smoking?

Hon. Mr. Rhodes: I am smoking probably the same as you are. I suppose Dr. McIlveen could get up and give us a half hour's dis-

course on the evils of smoke and then after he's finished I would have to get up and give him one on the evils of drinking; and we'd both be even.

Mr. P. Taylor: Thank you, Mr. Chairman.

Mr. Chairman: Mr. Germa.

Mr. Germa: Could I ask an overall question? I see we went up a couple of hundred thousand on programme administration. Have you hired some new staff or where are we spending the extra couple of hundred?

Hon. Mr. Rhodes: Primarily, the increase is in the normal salary revisions, the increases that come annually, and the various increases that come with the additional complement in this particular vote to the Ontario Highway Transport Board, which accounts for the major portion of the increase.

Mr. Germa: Can I go down this list of transfer payments to various organizations and get comments from you regarding what they contribute, presumably, to safety in Ontario?

I'd like to start with Roads and Transport Association for Canada. I notice last year you made a transfer of \$37,000 to that organization and this year you are transferring \$59,000. Can you account for that increase?

Hon. Mr. Rhodes: Yes. That's an association to which all of the provinces of Canada belong. We are assessed a certain amount of money for the research that is carried on by this programme.

The Roads and Transportation Association of Canada is an offshoot of the old Canadian Good Roads Association. Fortunately, the Roads and Transportation Association has become a very worthwhile organization, which I must confess I couldn't say for the Canadian Good Roads Association, as one who attended, I think, two of their conferences and found them less than worthwhile.

RTAC, or the Roads and Transportation Association, is a very worthwhile organization in which there is a lot of expertise from all of the provinces. Expert staff present papers on new modes, new practices and experimentation that is going on in the various provinces across the country in all aspects, not only of safety but of methods that are used in highway construction and new types of asphalt mixture. It's actually a very technical and a very worthwhile organization, and we find that support of this is worthwhile.

Mr. Germa: Who are members of this organization?

Hon. Mr. Rhodes: It's made up of the executive of the organization. It is made up of all the ministers of transportation or their equivalents in other provinces, who are all vice presidents. There is representation from all of the provinces, as well as the federal government and some industry people. In fact, a considerable number of industry people are involved in the association.

Mr. Germa: Is that where the government gets together with industry to decide who is going to sell what to which government?

Hon. Mr. Rhodes: No. You always try to conjure up some sort of bogymen somewhere, and there's no bogymen here at all. It's all very open and they have a very forthright conference. Industry isn't all bad. It may be bad in some places, but it isn't bad across the country.

Mr. Germa: You made reference that this used to be known as the Canadian Good Roads Association. Can you comment on the next item, the Ontario Good Roads Association? What's your evaluation of that organization?

Hon. Mr. Rhodes: I think that's a reasonably good association and it gives us an opportunity to meet with municipal representatives from all across the province. This association is made up of representatives from the various municipalities and the counties, both at the political and the engineering level.

The people would be involved with the provision of the road facilities within their own jurisdictions. They get together and exchange information. There is a presentation of technical papers and there are workshops. It's a working conference that I think produces good information that is exchanged between municipalities, between jurisdictions. The province plays a big role in this by being involved in these discussions and participating in panel discussions, answering queries and questions of the various municipal organizations that are in attendance at all levels, both at the political and at the engineering level.

Mr. Germa: Have you attended some of these?

Hon. Mr. Rhodes: Yes.

Mr. Germa: You have attended Ontario Good Roads meetings?

Hon. Mr. Rhodes: Yes, I attended the last Ontario Good Roads convention and I sat on the panel. The panel I was particularly involved in included the federal government, with myself representing the provincial government. The townships were represented and the counties, and the Provincial-Municipal

Liaison Committee had people on that particular panel. It was extremely well attended too.

Mr. Germa: I know it's a very popular conference at the municipal level. Every municipality in Ontario sends a good delegation. You don't see it just as a forum for industry to sell their bulldozers and graders and so on.

Hon. Mr. Rhodes: There is no question that industry is present, and has displays. They are attempting to sell their wares. There is no question about that.

I think it is fair to say at the same time that they do contribute substantially financially to the conference as well. I must say that at any of the workshops I have attended over the years, both as a municipal councillor and in my present position, they have not played a front and centre role in the workshop area. They have quite a low profile or behind the scenes involvement. Whether or not they are influencing the various engineers in equipment-buying areas of the municipality, I don't know. You and I both know that the final decision on the acquisition of equipment lies with the municipal council anyway, on a tender basis.

Mr. Germa: It appears to me the greatest benefactor of that particular organization is the industrialist who attends and makes his contacts with the various municipal engineers.

Hon. Mr. Rhodes: No, I wouldn't agree. I think those same industrialists can make their contacts in their own way in individual municipalities. I really think of any one of those I have attended, I must say the Ontario Good Roads as opposed to the old Canadian Good Roads was a far superior conference and had a lot more to offer. The change from the Canadian Good Roads to the RTAC conference was a good move and has benefitted all the member associations and jurisdictions.

Mr. Germa: Do you not think that some of these organizations you're contributing to are duplications?

Hon. Mr. Rhodes: Yes, there probably is certainly some overlap, especially in the area of safety with the Ontario Traffic Conference, the Canada Safety Council, the Ontario Safety League. Having attended a number of these over the years. I would say the overlap is minimal, and even at that they are still very worthwhile in that they are all promoting a better approach to highway safety. Many good ideas come out of these conferences from people whom you would never expect to contribute that much but who do so, in a very real way.

The Ontario Traffic Conference, for example, is one I've been associated with for a number

of years. I have found it to be a group made up of elected people, engineers from municipalities, law enforcement officers, all of whom sit down together, share their responsibilities and share their problems. They have come up with some excellent suggestions to this ministry in the way of proposed legislation, changes in highway safety programmes and, in some cases, engineering programmes.

Mr. Germa: There is one new one this year, the Canadian Conference of Motor Transportation Authorities. We didn't have that one last year.

Hon. Mr. Rhodes: I must confess I am not familiar with that one. I will have to pass on that.

Mr. Germa: It's an item of \$30,000.

Mr. A. M. Gartshore (Executive Director, Licensing and Control Division): Yes, that is an organization which has existed for many years. It's an organization of administrators of the various provinces and they are mainly concerned with matters of uniformity in rules of the road, standards of vehicles, driver licensing standards and so on, and on the for-hire carrier side.

The reason it hasn't appeared before was that until this January the Canadian Conference of Motor Transport Authorities never had any permanent secretariat or staff. It was agreed by the ministers of the various provinces at a conference they held to set this up, and this secretariat came into existence at the beginning of this year. Each province is assessed for the cost of that secretariat in proportion to its vehicle registrations. I think the rate this year is one cent per vehicle registration, which of course, results in Ontario, with its three million vehicles, paying \$30,000.

This organization also has a function in working in co-operation with the annual conference of ministers responsible for motor vehicle administration, in that it prepares background papers on matters for the ministers to discuss and carries out the ministers' instructions at the official level. That's the function.

It also has standing committees on both vehicles and drivers, which meet on a more or less regular basis to discuss such matters as are specifically referred to them. This is why Mr. Humphries isn't here today. He's away at their annual conference right now.

Mr. Germa: Where are they holding that?

Mr. Gartshore: In New Brunswick.

Hon. Mr. Rhodes: I think I might add, too, that my first association with this organization

was at a conference of the ministers that was held in Winnipeg. One of the items that was discussed, in some great detail, is the very item Mr. Taylor was talking about earlier, that is seatbelt legislation and the use of seatbelts across the country.

The topics were very broad and every one of the provinces, plus the federal government, is very much involved in this particular conference; at least they certainly were at the conference that I attended. Every province was represented without exception by the minister responsible for this area.

Mr. Germa: This is, then, just a governmental association?

Hon. Mr. Rhodes: Yes, there is no industry involved.

Mr. Germa: Why can't governments meet without forming an association and going through this whole bureaucracy? Why do we have to contribute \$30,000 for you to meet with the federal minister, the New Brunswick minister and the BC minister?

Hon. Mr. Rhodes: There's an ongoing secretariat into which information is funnelled from each of the provinces. Each province is developing its own programmes and its own ideas. The easiest way to get this information to all of the other provinces and provide us with an opportunity to study and consider what they are doing, is to put it through one central agency. They have it compiled and sent out to the various provinces so that we know for example what is happening in British Columbia.

It saves me having to sit down with any degree of regularity—because who has time to do this—with Bob Strachan from British Columbia or Mr. Pace from Nova Scotia, Mr. Rousseau from Newfoundland. We just don't have the time to be meeting as regularly as this would require.

All of this information can be gathered together by the secretariat and sent out to the various provinces where the officials who are involved and charged with the responsibility have a chance to consider it, make their comments and recommendations to the respective ministers and present papers to them. These are then discussed at the conference of the ministers, which is held once a year.

Mr. H. F. Gilbert (Deputy Minister): It ran for a number of years, as Mr. Gartshore was saying, without any kind of secretariat. It's only in the last year or so it was found necessary to get someone to administer such collective information and put it out.

Hon. Mr. Rhodes: I can point out to you, for what it's worth, that Ontario was probably the last province to become involved in this. We were not, initially, too enthralled with the idea of establishing another secretariat. We voiced our opinions at the conference, quite clearly I think, and the other provinces voted us down. They thought it was essential. Certainly, we thought we should go along with what the majority felt in this particular case.

Mr. Gilbert: I think you have to appreciate that perhaps Ontario, and some of the other provinces contribute as much or more than they gain from it. Some of the other provinces that are smaller and don't have the research facilities, do gain from the work that is done in Ontario, BC and Quebec, the larger provinces that have more resources to carry out the work. That is certainly the main area of activity of that secretariat. It gets this information.

Hon. Mr. Rhodes: I can point out, for example, at the last Roads and Transportation Association Conference that was held here in Toronto, two of the staff from the province received awards for papers they presented. They were considered to be outstanding and were complimented very highly by the smaller provinces which willingly admitted they themselves didn't have the resources to present this type of information. They indicated they would benefit greatly from the information we were presenting to them.

Mr. Stokes: Do you ever talk about studded tires at any of these conferences?

Hon. Mr. Rhodes: I haven't, Mr. Stokes, because I'm not one who is a great fan of studded tires.

Mr. Stokes: Well, you talked about seatbelts. I'm wondering, since studded tires are allowed in some other jurisdictions—

Hon. Mr. Rhodes: They're allowed in some jurisdictions and they are rapidly being disallowed in most of them.

Mr. Germa: I'm not opposed to your having conferences with your fellow ministers, but we have 24 ministries here and I can see a proliferation of associations in every ministry. We have our Ministers of Health meet periodically and our Prime Ministers meet periodically. I am wondering if it is necessary to have this bureaucracy and structure for you to pass on this information to some other province? I am death against bureaucracy. We are just tangled up with red tape here, solidly.

Hon. Mr. Rhodes: In these cases, I must say I have seen the material that some of them

have produced. A lot of work has gone into it. I think they are doing a service to all of the provinces.

Ontario, by nature of its size and the problems that we face here, is able to present a tremendous amount of information to other provinces. They have freely admitted that the information they receive from us is of benefit to them within their jurisdictions. Certainly I, as a minister—and I am suggesting I could speak for other ministers with the same responsibilities—would not have the time to try and put all of this stuff together and get it out to these various people. Neither would the staff within the ministry be able to devote the time that would be required to put this information together as the secretariat would do it.

I would venture to say, although I can't put it down in black and white, that the cost of the secretariat is a lot lower than what it would be if you took the salaries of the various civil servants in the various jurisdictions across this province for the time they would be required to devote to doing exactly the same thing. It would be substantially higher than we now pay as our portion of the cost of the secretariat.

Mr. Germa: I see our Ministers of Health from across the country meeting periodically and they don't have a situation like this. They are discussing budgets triple your budget; and more intricate problems too, I would suggest.

Hon. Mr. Rhodes: I can't comment on that. I don't know that much about what the various Ministries of Health do; and whether they have secretariats or not for various associations, I don't know.

Mr. Germa: I don't know of any other ministry or ministries across Canada that have an association where the ministries have to have this bureaucracy in order to meet and discuss common problems.

Hon. Mr. Rhodes: I am afraid I can't comment. You may be absolutely right, I don't know. I have never inquired as to what the structure is there.

Mr. Germa: Could I ask a couple more questions, Mr. Chairman?

Mr. Chairman: Yes.

Mr. Germa: We were talking about seatbelts a little earlier, and I have this booklet, "The Human Collision." Presumably that is the centrepiece of your seatbelt programme, is it?

Hon. Mr. Rhodes: No, it is certainly not the centrepiece. It's one of the items produced by

the ministry; I am very happy to say it's totally an in-house production, entirely within the ministry. I think that is commendable.

Mr. Germa: What is the total budget for promoting seatbelts this year?

Hon. Mr. Rhodes: Oh let me see; we'll go back to vote 2302 and under seatbelt programme the total budgeted was \$501,000. That includes research and development as well as the educational campaign.

Mr. Germa: All the research is in on seatbelts, is it not?

Hon. Mr. Rhodes: No, not really.

Mr. Germa: The government is still researching that area?

Hon. Mr. Rhodes: There are still a number of things that have to be looked at. One of the things that is giving us a great number of problems—not only us but the federal level as well—is the configuration of the seatbelt itself within the automobile. One of the real problems we have is to come up with a configuration that people can put on with ease and wear with ease and comfort. This was one of the points that we mentioned at the Canadian Conference of Motor Transportation Authorities.

It was discussed in depth with the federal people who set the standards, pointing out that one of the problems we have in getting people to wear seatbelts is the fact that the configuration within the automobile itself is not conducive to people wearing them. We've asked the federal government to attempt to set some sort of standard. Perhaps Mr. Campbell can comment on that. Can you comment on what we're doing in the way of further research and development in so far as seat belts are concerned?

Mr. I. C. Campbell (Executive Director, Research and Development Division): Yes. In the within the vehicle sense?

Hon. Mr. Rhodes: Within the vehicle and otherwise.

Mr. I. C. Campbell: Well, we are working with the federal government on the structure of seatbelts and so on because this is a federal government problem. They are responsible for new equipment in vehicles so we can only advise on that in our programme.

We are also involved in the total programme of advertising through TV and through radio. There is a film which we are producing. There is also printed material.

Just two examples: There is a school project where we are developing an educational programme for children; and there is an evaluation aspect where we evaluate just exactly what's happening as time goes on by interviewing people and by telephone surveys and so on. All of this is involved in this total programme, which is a very comprehensive programme indeed. That gives you the overview of it.

Mr. Germa: Who would have access to a thing like this? How was this print material distributed?

Hon. Mr. Rhodes: We have printed quite a number of them in both French and English and they are distributed throughout the province.

Mr. Germa: But how? Do you mail them to householders?

Mr. Haggerty: Displays, isn't it?

Hon. Mr. Rhodes: Primarily I think what we are doing is distributing them into various areas, to agencies within our own ministry and they are distributed from there. I can give you an example. I met with the Industrial Accident Prevention Association on Wednesday of last week and we distributed some at that time. They requested more to be distributed within their own association.

Mr. Germa: This looks like pretty expensive stuff to me. If that's not \$80 a page it's not a penny.

Mr. I. C. Campbell: I can give you exact costs. It is 20 cents to produce that. We've ordered 75,000 of them and the cost is 20 cents, because it is all in-house work.

Mr. Germa: I don't know who is getting it. Presumably if I wasn't on your mailing list I would never have seen it. An ordinary citizen, as far as I can see, is not going to get it.

Hon. Mr. Rhodes: I can suggest to you that we certainly are not going to put out eight million of them.

Mr. Germa: Well no, not this quality. That's what I'm trying to get at, that you only printed 75,000; there are seven million people in Ontario.

Mr. E. Sargent (Grey-Bruce): What is this in-house bit?

Hon. Mr. Rhodes: It is produced right within the ministry. We did not go outside.

Mr. Sargent: Where do you get staff to do that?

Hon. Mr. Rhodes: We get staff within the ministry.

Mr. Sargent: What do they do when they're not doing that? That is my business, publishing. I understand this is in the graphic arts. You have to have a specialized staff for that. If they're doing that kind of nonsense what the hell are you doing in your department?

Hon. Mr. Rhodes: Well, I don't know whether you consider the printing trade a nonsense or not, but I—

Mr. Sargent: I think having you involved is—

Hon. Mr. Rhodes: If you are in the business then you would have to know whether it is nonsense or not before I would.

Mr. Sargent: Such nonsense, you people going into the printing business.

Hon. Mr. Rhodes: You are objecting now to us doing this at 20 cents a copy as opposed to what it would cost—

Mr. Sargent: I think it is a bargain. I would charge you about 35 cents for that unit.

Hon. Mr. Rhodes: At least.

Mr. Germa: Mr. Minister, what I am talking about is that there are seven million people you are trying to reach and you're not going to reach seven million people with a production like this.

Hon. Mr. Rhodes: Well, to begin with, I don't think we were trying to get to seven million people with that.

Mr. Germa: Well, three million automobile owners anyway.

Hon. Mr. Rhodes: Not even three million automobile owners. I would suggest what we're trying to do is to get to people who can be of some influence, who can get the message that's in that particular booklet, which I personally think is extremely well done.

Mr. Germa: It's a very nice book and I agree.

Hon. Mr. Rhodes: It's not a question of what it looks like. I think the content itself is very worthwhile, and I think that by getting it into the hands of people—I'm just going to pick examples out of the air—like scout masters; various youth leaders; teachers in the schools; driver education people who can read this and who can understand some of the points and the information in it and convey that information in the course of the classes and their instruction and their discussions they have with young

people and others—that it is going to be a method of distributing information.

My God, textbooks are printed every day. We don't print a textbook for every citizen in Ontario. We hope that someone will be able to determine what's in that textbook and convey that information to the rest of the populace. This is exactly the same thing.

Mr. Germa: I don't know, I would see it as a mass education programme.

Hon. Mr. Rhodes: Oh yes, but surely you can—

Mr. Germa: This is not designed for mass circulation.

Hon. Mr. Rhodes: Surely you can appreciate that mass education does not necessarily mean putting a particular piece of paper or booklet into the hands of every individual in this province. It means getting that information out to those people who are best able to communicate it well within their own communities, and inside that community to smaller groups.

I am suggesting you could distribute that to the city of Sudbury, to the Sudbury Safety Council, where you have people who are very interested; or the local police department and their traffic safety people. We are going out every day to groups of people.

The information contained in this is an education for them and they can, in turn, convey that information to the people they are talking to. They are respected, they are looked upon as knowledgeable in their field.

No, it's not intended at all to be a mass hand-out, like a political pamphlet. It's intended to be information for those people who in turn can put that information out within their community.

And that's only one. There are other information bulletins that will go out, with the excerpts taken out of that and put into other printouts that will be going out to communities.

Mr. Sargent: Mr. Minister, do you have your own advertising agency?

Hon. Mr. Rhodes: For this programme? No.

Mr. Sargent: What I am trying to say is this: We have 23 or 24 different ministries, and here you have a printing establishment with probably \$1 million tied up in equipment. I don't know how much you have tied up in it, but there is the Queen's printer, and you have your own little empire here. Are you trying to convince me that it's good business? Maybe it is, I don't know. But I think it's wrong that each group has its own production house for this type of thing. Now these people can't be

busy 52 weeks a year on this type of work, are they?

Mr. Gilbert: Mr. Sargent, these people are in our services area. As you know, we have technical reports going out all the time. We have feasibility studies which are part of the planning, part of our ministry. There are numerous other safety bulletins and what-have-you that are going out; and these people do this work. There is a long list.

Mr. Sargent: I am trying to say that I—and I bet you each member of this Legislature—dump out 50 lbs of crap each week I don't even look at. Now no one can ever hope to read all the stuff he gets.

So here you have a little empire. You guys are doing a sincere job, but somewhere along the line there has to be central purchasing to run this business like a business. Here we have one ministry, and you have your own little empire. You have a printing and an advertising outfit. It's completely crazy.

Mr. Haggerty: Where is your shop located?

Hon. Mr. Rhodes: In Downsview. This is equipment that is there for the multitude of paper we are required to produce for members of the Legislature who want information. This booklet on the construction programme is only one of them. There are volumes of paper that go out, and the minute we don't produce it, someone is going to be knocking on our door wanting to know where this information is.

Let's be reasonable. You know and I know that the minute something goes on that we don't produce a piece of paper on to let you know what's going on, somebody is going to stand up and hammer us for not having made the information available to the Legislature. So you are going to get that paper, baby, and I am getting it too. And if you haven't got time to read it, join the club.

Mr. Sargent: I think, if I can say a final word, that this is Parkinson's Law in action, each little group has to have its own empire. You have even got your own special dining rooms where no one else can go except your executives. This thing bothers me.

Hon. Mr. Rhodes: I am going to say that if this was unique to my ministry, to this government—

Mr. Sargent: It is a little empire; the caste system.

Hon. Mr. Rhodes: —or to any other government in this whole democratic structure of ours, I'd be the first one to say you are right on baby. But when the Prime Minister of the

country himself is inundated with paper, I kind of feel that maybe I have to pick up my share of it too.

Mr. Germa: After we spend this \$500,000, what is our goal? Where are we aiming at, or where do you expect to go?

Hon. Mr. Rhodes: Our goal, and it may be a very presumptuous one, is that through the educational programme we are carrying on, to raise the usage of seatbelts in this province to the vicinity of 50 per cent. That's a goal I'm the first one to admit may be aiming very very high. Yet, strangely enough, from the surveys we've taken, we find that out on the 401 and in this area, we're running in the vicinity of 30 to 35 per cent on seatbelt usage. Much of this increase has been as a result of the dialogue that's gone on over the last number of months, where people have become more conscious of seatbelts, combined with the improved type of seatbelt configuration that's now in the cars. People are wearing them more and more.

With the programme we've got, we're going into the schools and into the communities. We're not using the mass media type of approach that was used in the US and in the UK. It is very expensive and very limited in its appeal. We're not using the fear type of campaign, with blood and gore, but are trying to go in with a practical approach.

For example, we go into a school, bring in a sled and show the youngsters in the classroom how they can be safer in a collision. We let them slide down on the sled with a belt on and experience the feeling of it. And we are getting results. We find that the youngsters have a great influence on their parents; this is the way we're looking at it.

Mr. Ruston: You're right, Mr. Minister. My 16-year old hooks his up every time, so now I'm starting to use mine.

I've been driving a car for 39 years now and I feel confident driving all the time. But when I'm riding with somebody, in what I used to call the suicide seat, I always hook up my seatbelt now, although I haven't done so very much otherwise. With the young lad now, first thing he does when he gets in he hooks it up.

I gave a chap a ride the other day, a blind chap, and the first thing he did when he got in the car was hook up his seatbelt. I said: "I guess you don't trust my driving". "No," he said, "I just want to know where I'm going to be."

This morning when I got in the car I turned the radio on and there was an accident report on a person getting thrown out of a car and

killed; so within a half a mile I had my seatbelt done up.

I really don't know how you do it. It's very difficult, and I can see your reasoning for not putting in legislation. I'm one who doesn't believe you should pass laws unless the majority of the people are going to abide by them. If you're going to have to have police out there all the time making you hook up, I don't think that's what we live for in this country. I hate to see spending half a million on an advertising campaign, but I don't know what the other answer is.

One of the answers is a little better type of seatbelt. I know of an elderly couple who were going out to buy a new car last year, and when they got in the car they couldn't get the belt hooked up. It bothered them so much they left and went and bought a 1970 model car that just had a strap on the bottom with which they could just get in and go. They were an elderly couple and wouldn't buy a new car just because of that damn seatbelt.

Hon. Mr. Rhodes: Would you stroke that out?

Mr. Chairman: Watch your language.

Mr. Ruston: I'm glad to hear you say you are now going over this with the federal authorities, who of course, have to approve this in all new vehicles. That, I think, would be part of the answer.

I attended a conference just last year, the 18th annual conference of the American Association for Automotive Medicine, which I must admit was a little over my head in some areas. But to sit there for two days and listen to these doctors and people talking and giving statistics on accidents was an experience. One night I don't think I slept very well, and I'm not sure whether it was because of what they showed happened to a person that had a seatbelt very very loose—a lap belt that had five inches to spare in it—or because I drank a lot of coffee. Anyway you start thinking maybe you should have them hooked up.

I don't think there's any problem with most of the young people I've seen, but I think maybe some of us older ones are a little hard to convince; maybe we're overconfident in a car. Some of us have been driving for a long time and been fortunate not to have someone come out in front of us and cause an accident; maybe we're over-confident. I don't know exactly what the answer is; maybe you're doing right. I would think going to schools is one of the answers, the secondary schools especially.

I've always been one to criticize the government in general for spending money adver-

tising. I'm not criticizing this one so much; the one that makes me boil was the Minister of University Affairs putting in a big half-page ad saying he was the Minister of University Affairs. I never could figure out what else the ad said. To me that was a complete waste of money, but in your case—

Hon. Mr. Rhodes: I am not going to comment on that, but you are not going to find anything in any of these seatbelt ads that's promoting me, I can assure you. It's going to be promoting seatbelts.

Mr. Stokes: The highway signs do that quite nicely.

Hon. Mr. Rhodes: I'll just bet you, Mr. Stokes, that you would like nothing better than to see more and more of those signs up in your riding.

Mr. Stokes: Put my name on them.

Mr. C. E. McIlveen (Oshawa): I don't think you will live that long.

Mr. Chairman: Mr. Haggerty.

Mr. Haggerty: Thank you, Mr. Chairman. In your safety programme have you done any study or any research on the large tank trucks on our highways? There are a number of accidents and some of them have been rather serious. These tanks spill acid and so forth and they are usually those with pup trailers. Have you completed a study on how safe they are on the road; or should they be removed altogether, particularly the pups?

Hon. Mr. Rhodes: First of all, let me say, Mr. Haggerty, I know of the publicity given to the pup trailers. Most of these carry petroleum or liquids and get a lot of publicity every time they have an accident, because for the most part they are usually very spectacular accidents, something which really draws attention.

Statistics are rather interesting on this subject, and we have been carrying out a very detailed assessment of what the affects are. In looking at the magnitude of the problem, I'd like to pass along for the record and for your information some of the statistics.

During the years 1972; 1973 and 1974 there were 12,900 semi-trailer accidents on our highways; 406 of those involved pup trailers. There were 59 pup trailer accidents in 1972; 124 in 1973 and 223 in 1974; there has been an increase, and the increase reflects the increasing use of the vehicles.

Fatalities occurred 2.6 times as often—this is a fact, by statistics—in pup trailer accidents

as in semi-trailer accidents, and injuries occurred 1.3 times as often. They are a little more hazardous in this accident area.

Loss of control occurs 1.5 times more frequently in pup trailers than in semi-trailers. Driver-oriented causes occur only two-thirds as often with pup trailers as compared with semi-trailer collisions. We have been taking a fairly intensive look at the pup trailer situation on our highways.

Now against these facts, the pup trailer combination is an efficient and economic method of moving goods. There is one driver, less energy consumption, less exposure to traffic in terms of mileage and time on the road. To ban the use of the trailers, which has been advocated by many people, would result in an increase in the number of transport vehicles on the road. We have worked very closely with the major user of these which is the Petroleum Association in attempting to determine what may be best. The association was the source of a lot of our information, as well as our own accident statistics.

If you ban them, they still have to haul this volume of petroleum, so where you have one truck on the road now, albeit a pup, you are going to have two and you are going to increase the number of vehicles on the road. There are certainly going to be higher costs involved for transportation purposes and, as an off-shoot of that, greater fuel consumption by running two vehicles as opposed to one.

Mr. Germa: Mr. Minister, could you stop right there? You say it is more economical to run the pup; maybe if the price structure was right, this tanker would be on the railway track instead of on the highway.

Mr. Haggerty: That is right; piggy-back or something like that.

Mr. Germa: It's not the business of the Ministry of Transportation and Communications to encourage trucking of these loads on the highways. I don't think that's a reasonable argument to make—that we're going to increase fuel costs. That 30,000 gallon tank could go on the railway car, probably a lot cheaper than on the highway.

Hon. Mr. Rhodes: But unfortunately not every community in this whole, wide, wonderful province of ours is served by rail.

Mr. Haggerty: I make particular reference to this when I think of the Niagara Peninsula. It is well served by railroads; and if you travel the Queen Elizabeth Way as much as I do, particularly in the wintertime, this type of equipment on the road is a hazard. If you are

travelling behind or alongside you cannot keep your windshield clean enough, and there are times you are totally blinded by them. Couldn't you come up with a design for mudguards for those trucks that won't throw salt on the windshields of cars alongside or behind it. They are definitely a hazard on the road.

Hon. Mr. Rhodes: Mr. Germa has raised a point I can't quarrel with, and that is the price structure on shipping. What you have to remember, sir, is that there is no oil company in the world going to pay more to move their product if they can get it done cheaper.

Mr. Haggerty: If they can get it done cheaper they are not passing it on to the consumer. The price of gas has increased.

Hon. Mr. Rhodes: I would suggest if you can work out a way they can move that petroleum product of theirs on the railway—

Mr. Haggerty: They used to do it by railroad.

Hon. Mr. Rhodes: I know, but the cost has become exorbitant; you know I don't set the freight rates for railroads. If they were able to move it cheaper they would move it.

Mr. Sargent: You don't set it for anybody.

Mr. Haggerty: They could probably put four pups on a flat car, easy.

Hon. Mr. Rhodes: Probably, but I wonder what the cost is. I don't know.

Mr. Haggerty: I don't think it would cost them much more than road, but the safety factor—

Hon. Mr. Rhodes: I wonder what it would cost to move the same volume of fuel from Toronto to the Niagara Peninsula. I have no idea.

Mr. Haggerty: You were reading statements from studies made by the Traffic Injury Research Foundation; is it there? I mean at this time, when we are dealing with the estimates, we usually have the number of traffic collisions and accidents. Is that available at all this time? Where is the annual traffic report.

Hon. Mr. Rhodes: It is being printed.

Mr. Haggerty: That is being printed?

Hon. Mr. Rhodes: We are into the estimates awfully early in this particular year.

Mr. Haggerty: I thought we had our own printing press down there, we could have this at just a snap of the fingers.

Mr. R. B. Beckett (Brantford): No, no.

Hon. Mr. Rhodes: We were going to do that, but Mr. Sargent suggested we shouldn't so we decided against it.

Mr. Haggerty: They are not that efficient after all, are they?

Hon. Mr. Rhodes: We were busy doing other things.

Mr. Sargent: There are going to be a lot of changes made in the next 18 months; I will tell your staff that now.

Hon. Mr. Rhodes: I understand there is a major change being made in the Owen Sound area.

Mr. Haggerty: From your remarks then, you are giving consideration to the possibility there should be some improvements made to the pups being pulled behind these tandem tractor trailers?

Hon. Mr. Rhodes: Yes it has been a concern to the ministry.

Mr. Haggerty: What about the mudguards? Can't some research be done on that to control the water pick-up from the road, particularly the salt in the wintertime? Surely you must have some new design on that now?

Mr. Aiken: Unfortunately, no. Attempts have been made in the UK and in the United States of America to develop a design in performance standard that would address the very problem you have described. But unfortunately it has been plagued with problems—overheating of tires, overheating of braking systems—and none of them has produced the kind of mudguard or protector that would take care of the side spray and wheel spray that gets on your windshield and mine.

Mr. Haggerty: There is no way that—

Mr. Aiken: They are still working on it. They are working on tire treads, they are looking at some kind of enclosure; anything that would do the job. But so far, no results.

Mr. Haggerty: Mr. Chairman, through you, these weigh stations you have at certain intervals along the Queen Elizabeth Way, isn't there some other way you could have those located? In particular I think of the one in Fort Erie, down by the racetrack on that particular section of Spears Service road. Could you not have it closer to where the trucking yards are?

If you travel the Queen Elizabeth Way all of a sudden you have about ten or 15 trucks coming onto the road at the same time. It causes

traffic congestion along that strip of the road. They are cutting in and out, and one is trying get ahead of the other. It certainly slows up the traffic on a highly travelled portion of the road. Is there perhaps some way you can construct these so it wouldn't interfere with a motorist using the—

Hon. Mr. Rhodes: I am wondering, Mr. Haggerty, if we might discuss that under item 3? We are jumping all over the place.

Mr. Haggerty: We are on safety.

Hon. Mr. Rhodes: No, we are actually on item 1 which is the programme administration portion of it; the next item is licensing, and the item after that is examination, inspection, enforcement.

Mr. Haggerty: I suppose when I look for the total safety and regulation programme, I have taken the word "safety" to include this.

Hon. Mr. Rhodes: We have broken it down into the various items so that we could proceed with some degree of order. Mr. Chairman, I don't want to usurp your position, but it would certainly be easier for us, and I am assuming for you, if we could deal with them as they come up, and that particular item does come up under item 3 under the vote. If there are no other questions on programme administration, we can move onto licensing.

Mr. Haggerty: You made a statement in the House not too long ago concerning the moped. You were going to give further consideration as to whether you were going to bring in regulations. What regulations were you considering? Licensing?

Hon. Mr. Rhodes: The type of thing I am considering, and hopefully will be able to bring forward once we have developed it, is to put some control on the moped.

Mr. Haggerty: You are suggesting you would ban them from the high speed highway, such as the Queen Elizabeth?

Hon. Mr. Rhodes: We had never intended they would be on highways of that type. We have the authority now, within the Act, to ban them from expressways and freeways.

Mr. Haggerty: You are classing them as bicycles now though, are you not?

Hon. Mr. Rhodes: Right now they are being classed as similar to a bicycle. I am not satisfied we are really handling this thing properly in that sense. I have said publicly before, and I say again here that I am not satisfied with the legislation.

Mr. Haggerty: That's right. Once you classify them as a bicycle, they are now starting to use them, I understand, on sidewalks.

Hon. Mr. Rhodes: That's right.

Mr. Haggerty: They want both worlds.

Hon. Mr. Rhodes: We are getting into difficulty with these things. It's my feeling we have some changes to make in that legislation, and I accept responsibility for the fact that it was not, in my opinion, good legislation. I didn't take into account the number of factors I think I should have before I brought that in. Strangely enough, and I'm not attempting to pass the blame off on anyone, the last section went through the House without any debate and everything went along fairly well.

Mr. Sargent: Are you getting much flak about it?

Hon. Mr. Rhodes: Yes, there is much concern being expressed by safety organizations, police agencies, even some of the dealers themselves who are involved with these.

Mr. Haggerty: Well, there are some machines that are not mopeds, they are just changed over from motorcycles.

Hon. Mr. Rhodes: Our definition, and what we thought we were doing was to have as the moped, if you will, in its fullest sense a motor-assisted bicycle, a bicycle that had a motor as an assist to it. Well what about the things that came out on the road! I have said before and I say again, the manufacturers abdicated a great degree of responsibility, I think, and attempted to make a fast buck at the expense of that legislation.

Mr. Haggerty: But there are some which meet your suggested requirements or criteria. I was on one not too long ago and I was surprised at the ease with which you could pedal it. They are geared down from the foot pedal and they work very well. They work with a V-belt.

Hon. Mr. Rhodes: But I can show you some others. You and I wouldn't be able to pedal that thing for 100 yards. We would collapse out of sheer exhaustion—a motorcycle with pedals on it.

Mr. Haggerty: That's right. I was surprised at the ease this thing moved. It was easier to run it than an ordinary bicycle, almost the same as a 10-speed bicycle.

Hon. Mr. Rhodes: This was the sort of thing we thought we were accommodating by this legislation; the very small, low-powered,

vehicle. But the definition has been taken advantage of by certain manufacturers who are attempting, to all intents and purposes, to put a motorcycle on the road.

As I say, I accept full responsibility for what I think is an inadequate piece of legislation, and I am prepared to amend it.

Mr. Sargent: If you accept that responsibility—I say this kindly, I wouldn't know what decision to make myself—what about the dealers who are all stocked up with these things? Would there be a time factor, a cushion to let them out of the deal?

Hon. Mr. Rhodes: No, I think we can pass legislation, Mr. Sargent, in a way that will not be detrimental to the dealers. We have met with them; we have met with safety organizations; we have met with police agencies; and I am satisfied that all three parties involved, who have a real interest in this sort of thing, have come up with generally the same type of suggestion as to how the changes can be made in the legislation.

Don't get me wrong, I think that they are a good thing; cheap transportation, low energy consumption and all that.

Mr. Haggerty: A good way of transportation, that's right.

Hon. Mr. Rhodes: But the age limit is too low. It has to go back to 16. There has to be some form of registration, so the police can have the authority to enforce the law.

Mr. Haggerty: They can do that under municipal law now, can they not, the same as a bicycle?

Hon. Mr. Rhodes: Yes, you can pass bylaws within the municipality.

Mr. Haggerty: What are the main objections to it? I find that looking at the machine—

Hon. Mr. Rhodes: The main objection from the police?

Mr. Haggerty: Youngsters are safer on those machines than on a bicycle. All you have to do is come out on Wellesley St. here at night and see persons riding bicycles with no lights on whatsoever.

Hon. Mr. Rhodes: Let me tell you what the concerns of the police are.

No. 1, under the present law in the Province of Ontario, an individual is not required to give his name or to produce identification if he is stopped by a police officer. Under the present legislation, if you are walking down the street or riding a bicycle or riding a moped,

and a policeman stops you, you are not obliged to tell him who you are, where you live or anything. You are not required to do so.

Mr. Haggerty: If you violate the law though, he can demand it.

Hon. Mr. Rhodes: It depends what law you are violating.

Mr. Haggerty: If you go through a traffic sign or stop sign or traffic light or something like that.

Hon. Mr. Rhodes: The individual is not—

Mr. Haggerty: Why else would the police want to stop him?

Hon. Mr. Rhodes: There are several reasons. No. 1, the law says that a moped is defined as a vehicle that will not exceed 30 miles per hour, over a distance of a mile, on level ground. How is a police officer going to check that? He doesn't have the authority, for example, to say to the individual: "Get off that thing. I am going to ride it for a mile over level ground and see if it goes more than 30 miles an hour."

Mr. Haggerty: That inspection should be done before it is even put into the store, or before the consumer purchases it.

Hon. Mr. Rhodes: But by the same token, you can take that thing home, and if you have any mechanical capability at all, and I am sure you do, you can soup that thing up so it is going to go more than 30 miles an hour.

Mr. Haggerty: If that's the case, the only way the officer is going to catch him is to tail him.

Hon. Mr. Rhodes: It obviously has to be that or it has to be tested.

Secondly, if the individual riding that motorcycle is 13 years old, and the present law says he must be 14, how in the world do you tell the difference between a 13-year-old and 14-year-old? You don't. If you come up to him and ask him to identify himself, the police will tell you the youngster can tell him: "Well, good day, officer, I am going home now." There is nothing they can do about it under the present law in this province. The police have very great difficulty here.

The third problem they are experiencing is the fact there is no liability if there is an accident with one of them.

Mr. Haggerty: They should have insurance on them.

Hon. Mr. Rhodes: There should be third party insurance. We feel that has to come in.

The things I am looking at are the age limit up to 16; a third party liability of some kind which shouldn't be that expensive; registration of some sort to keep track of these things, not necessarily to the level of a motor vehicle but certainly more than on a bicycle.

I think we can accomplish what we want to do with legislation that will allow these things to be on the road and be driven by responsible people. The drivers themselves, we think, should have some sort of a permit, for identification purposes, and be required to produce it when stopped by a police officer on a violation. These are the things the police have indicated concern about.

Mr. Germa: How did this legislation get on the books in February? Did you not think about any of these things when you brought this in?

Hon. Mr. Rhodes: No, I must confess, and I have said so, that I don't think I really gave it as much thought as I should have. The thing was well along the way when I got involved, and I really didn't look at it as carefully as I should have done. I freely admit that.

Mr. Germa: Nobody pressured you into doing this.

Hon. Mr. Rhodes: No sir, no sir.

Mr. Germa: There were no representations made to your ministry to get this legislation in?

Hon. Mr. Rhodes: Not to me. There were representations made by people who wanted these things licensed—not licensed but permitted on the road. They just wanted them to be available to go on the road. At the time they were in a total state of limbo, nothing applied to them.

Mr. Germa: Who were these people who made representation?

Mr. Haggerty: In the select committee that dealt with snowmobiles wasn't there something—

Mr. Ruston: No. There was nothing in that report.

Hon. Mr. Rhodes: I don't think there was anything in that report.

Mr. Haggerty: I thought it defined the number of cc's though, did it not?

Hon. Mr. Rhodes: As soon as they started to appear on the road from Europe people were saying: "Get some legislation in." There were people who said: "Don't legislate them as a

motorcycle because they are not powerful enough to be a motorcycle. Find some way to handle them."

We thought we were doing the right thing at the time. They didn't appear to be any more powerful than a 10-speed bike and weren't able to generate any more speed than a 10-speed bike. They were probably safer to ride than a 10-speed bike, because of the greater tire surface on the highway. We thought we were doing the right thing.

Mr. Germa: I am interested in knowing who put the pressure on.

Hon. Mr. Rhodes: I had no pressure put on me. I say that quite openly.

Mr. Germa: Because the legislation came too fast and without proper consideration.

Hon. Mr. Rhodes: Yes, and I might point out, with the greatest of respect, and I am not trying to pass the buck, there was no consideration given by anybody.

Mr. Haggerty: That's right. They were all sleeping on it.

Hon. Mr. Rhodes: You were sitting there as the critic of my ministry and made no comment at all.

Mr. Germa: No, well, I didn't find out about the pressure being applied until later.

Hon. Mr. Rhodes: Oh, never mind the pressure—

Mr. Germa: I asked questions in the Legislature—

Hon. Mr. Rhodes: You had an opportunity to study it as well as we all did. You know, I am not trying to blame you; I introduced the legislation, not you. But let's be fair. The thing went through the House without too much comment from anybody. So we all have to wear a certain amount of horns, mine the greatest because I introduced it.

Mr. Ruston: Yes, just blame it on both. You carried it in, but if we had opposed it, you—

Hon. Mr. Rhodes: Not necessarily, I point out to you—

Mr. Ruston: You had a majority.

Hon. Mr. Rhodes: No—

Mr. Ruston: But on the other hand, you know!

Hon. Mr. Rhodes: No, I point out to you that when the snowmobile legislation came in, I listened with a great deal of attention and

didn't hesitate to make some amendments that were proposed by you gentlemen opposite.

Mr. Ruston: It's the responsibility of the opposition to look into all the legislation, I know, and maybe we were partly lax in—

Mr. Sargent: Come on, Dick.

Hon. Mr. Rhodes: I am not trying to pass the buck. I introduced the legislation and I have the responsibility of making it positive.

Mr. Ruston: You've got to give him heck, Eddie.

Mr. Stokes: Go back to the final report of the select committee on snowmobiles and all-terrain vehicles, where we asked the ministry to be particularly vigilant about all-terrain vehicles. Now if that isn't an all-terrain vehicle, I will eat my shirt.

Hon. Mr. Rhodes: No, it isn't an all-terrain vehicle.

An hon. member: Eat his shirt!

Hon. Mr. Rhodes: Do you want it with salt?

Mr. Stokes: Okay, it's an off-road vehicle.

Hon. Mr. Rhodes: No, no.

Mr. Stokes: Yes, it is.

Hon. Mr. Rhodes: I would strongly suggest to you, Mr. Stokes, it is not an off-road vehicle. I sure wouldn't want to ride that thing through the bush up in my part of the world or yours.

Mr. Stokes: That is what they are doing with them.

Hon. Mr. Rhodes: Well, they are in for trouble; I hope those pedals are working because—

Mr. Stokes: They are using them on trails.

Mr. Germa: Well, I don't think we have the full story of that legislation yet. Maybe some day we will know.

Mr. Stokes: Isn't there a fellow by the name of Kaplan?

Hon. Mr. Rhodes: I don't take exception to too much that is said to me in this committee, because I feel it's a fair and open forum, but for you to sit there and insinuate there was something behind all of this is totally unfair and inaccurate as far as I am concerned.

These vehicles appeared on the road in Ontario. They are being ridden all over Europe—if you travelled with the snowmobile and all-terrain vehicle committee, I am sure you would know that—unlicensed as a vehicle,

operated by unlicensed drivers and with no helmets required; this is the case all over the place. Our experience was they were in Quebec under practically the same terms; Quebec then changed their approach and went to registration of them.

I make no bones in saying to you, to sit there and try to bring in some ulterior motive or some great pressure brought to bear on this government is just so much hogwash. That didn't happen.

Mr. Sargent: But it could have, though.

Hon. Mr. Rhodes: All that happened was that this minister introduced a piece of legislation, which he freely admits to.

Mr. Stokes: Mr. Minister, I read a news report not long ago that stated the major distributor of those was a well-known Liberal.

Hon. Mr. Rhodes: That may well be. I don't know. You tell me who he is.

Mr. Ruston: An NDP fellow.

Hon. Mr. Rhodes: I can tell you this. I know of one distributor who came in to see me—I don't know whether he was a Liberal, a Conservative or a New Democrat, but he left the building with his tail between his legs and was told to take his machine and turn it into a motorcycle.

Mr. Germa: Well, if this machine can function in Europe and Quebec with the same legislation as you have on the books now, Mr. Minister, how come it can't function in Ontario?

Hon. Mr. Rhodes: I don't think they are functioning as well in those European countries. We have had a look at what has been done in these other jurisdictions, and one of the things is that in other jurisdictions in Europe—again this is a fact I didn't consider at the time and should have—in countries like Sweden, France, Germany and Italy where they are being used, the police have certain powers as police officers that we do not give to the police officers in our jurisdiction.

I am not suggesting they should necessarily have those powers, but in many of these jurisdictions, if a policeman stops you on the street, whether you are walking, riding, crawling or rolling, you must give your name and address and all the other pertinent information. You are required by law to do that. We don't require that in our jurisdiction. This is one of the reasons the police agencies here were having a great deal of difficulty in trying to enforce the law on these things.

Mr. P. Taylor: There is also a tradition in Europe, generally speaking, of much higher density of the use of two-wheel vehicles, and the police and the public have a great deal of experience in dealing with them.

Hon. Mr. Rhodes: That's probably quite true. I can't speak with any authority on that, although I can tell you that the statistics from Europe show they are not a high-accident vehicle or high-fatality vehicle. However, the reaction here on mopeds have been very extreme and people are extremely upset about them.

Mr. Ruston: I think I would rather run one of them than I would a 10-speed bicycle, personally. I think I'd be safer on it.

Mr. Germa: We're getting reaction from insurance companies. I can understand why. I think they have a vested interest in selling insurance.

Hon. Mr. Rhodes: I can tell you I have not been approached by one insurance company at all on the matter.

Mr. Germa: You mentioned that insurance was one of the problems.

Hon. Mr. Rhodes: It was one of the matters the police brought to us saying it was a liability item. What about someone who is riding one of these things and strikes a pedestrian? What has the pedestrian got in the way of recourse to recover damages? It's a fact; they don't have anything because there is no insurance required, either through the Motor Vehicles Act or through a form of a third-party insurance. Or if it runs into another vehicle—what then?

Mr. Germa: What if an ordinary 10-speed bicycle runs into another vehicle? There is no third-party liability on that or on an ordinary bicycle.

Hon. Mr. Rhodes: That's right, there isn't—but it's not a motor vehicle. There was some concern expressed by the police agency in this area and by private citizens. I've received multitudes of mail from people concerned about this—safety organizations, police agencies, individuals, home and school associations—all kinds of them.

Mr. Germa: The only flak I got is there's a fear of more restrictive legislation. That's the over-riding complaint I got when publicity came forth that you were considering going back.

Hon. Mr. Rhodes: I think the big fear was we were going to go the full extreme the other way and make them motorcycles, as such. We

don't intend to do that. I know from having spoken to the retailers, the wholesalers, police agencies, safety agencies, that they don't want that either. They simply want some sort of control—and the major concern was the 14-year-old driver, that was of great concern.

Mr. Germa: The people are concerned that they are going to have to pay \$60 for insurance and they're going to have to spend \$20 on a crash helmet.

Hon. Mr. Rhodes: I'm not talking about helmets, quite frankly. I haven't talked about helmets. I've only made a very cursory investigation, but I am told it is somewhere around \$20 for the insurance coverage; the type of insurance we're talking about. We don't intend to get any exorbitant licensing fee; I think it would be more of a registration than a licence.

It is not the intention to try to make it prohibitive for these things to be on the city street at all. I think we have some responsibility to make them just a shade safer and a little more responsible.

Mr. Chairman: Mr. Spence.

Mr. J. P. Spence (Kent): Thank you, Mr. Chairman. I would like to ask the minister if he recalls the question I asked over a year ago in regard to tax put on by another country and which becomes law in Canada. I asked a question in regard to companies which import all their goods from the United States and the effect when the United States put on its surcharge tax, and it went on transportation. You gave me an answer in the House in regard to a transport association or something, saying that if it became law and came in effect here in the Province of Ontario, in our part of the province we have some industries which import all their raw materials from the United States and that tax follows it right through to the industry in my part of the province. Managers complained to me: "Why should a law which is passed in another country become law in Ontario or in Canada?"

Hon. Mr. Rhodes: I don't know how that surcharge works in reverse, but I'm assuming that you're getting into an area I don't profess to have any expertise in. I'm saying that if the price of a commodity has been increased in the United States—if it's worth that many dollars in the US—and if it's going to be exported to Canada, that the customer, whether in Canada or elsewhere, will have to pay whatever the price is.

As I recall your question to me, you were talking about the cost of shipping that out of the United States into Canada and you were

inquiring about the Niagara Frontier Tariff Bureau.

Mr. Spence: Or Windsor or Detroit.

Hon. Mr. Rhodes: Your question, as I recall it, was about the Niagara Frontier Tariff Bureau.

Mr. Spence: That's right; and it came into effect in Ontario as well as in the United States.

Hon. Mr. Rhodes: I think at the time I replied to you that all of the trucking associations that come across that particular area, in the United States and Canada, in Ontario, are themselves members of the Niagara Frontier Tariff Bureau and they file their tariffs with that particular bureau.

I know this is dear to the heart of Mr. Sargent and I am sure he will discuss it again later on. But our system here is that we do not set tariffs. The tariffs are filed with the tariff bureau and that is the tariff that is charged by the various trucking agencies. Mr. Shoniker is here. I am sure he can respond to that.

Before we get to that, I am wondering if this is the vote under which we should be dealing with it. I am not trying to duck it because it will come up later.

Mr. Spence: I will wait until later.

Mr. Sargent: I think it is here. It is motor vehicles transport.

Hon. Mr. Rhodes: Okay, let's deal with it here.

Mr. Spence: Do you sit on the board or have you anything to say on this board?

Hon. Mr. Rhodes: No, I don't. The only involvement I have is with certain approvals that require the minister's approval on. Primarily, the board is an autonomous body that operates under the chairmanship of Mr. Shoniker, who is here. I certainly am not on that board nor do I have any desire to be.

Mr. Sargent: It is a matter of record that you told us last year it was under review.

Hon. Mr. Rhodes: Yes, and it still is.

Mr. Sargent: You told me in the House that it was not, that you had nothing to do with it.

Hon. Mr. Rhodes: No, that is not correct.

Mr. Sargent: That's fine. Let's be basic now.

Hon. Mr. Rhodes: You have accused me of all sorts of things, and one of the things I take pride in is not trying to mislead or misdirect anyone.

Mr. Sargent: I am not suggesting that.

Hon. Mr. Rhodes: Well, that's a twist.

Mr. Sargent: But you are giving me some double-talk.

Hon. Mr. Rhodes: No, I am not giving you double-talk. I said to you that at the present time we are not involved with the setting of tariffs or rates, and we are not.

Mr. Sargent: We all know that.

Hon. Mr. Rhodes: I have said to you that we have been reviewing that situation.

Mr. Sargent: If you have nothing to do with it, what are you reviewing then?

Hon. Mr. Rhodes: I am not reviewing it. I have asked that the ministry itself do a review on it. Mr. Robin Summerley, who is sitting here, is spending extensive time in doing that review; and Mr. Shoniker in his group.

Mr. Sargent: Good. Now you are talking.

Hon. Mr. Rhodes: I told you that. You just don't listen.

Mr. Sargent: No, you didn't. You told me the whole matter stinks.

Hon. Mr. Rhodes: No, you told me it did.

Mr. Sargent: No; when Paul Yakabuski brought this up—

Hon. Mr. Rhodes: No, you brought it up. Let's put it in context. You brought it up, Mr. Yakabuski supported it and you suggested it smelled. I suggested it depended on whom I was talking to.

Mr. Ruston: I should straighten up both of you fellows very soon and read it verbatim here. Then I'll tell you who's who. You both were a bit wrong, if you want to read it over.

Mr. Sargent: I would like to talk to somebody who knows what he is talking about.

Hon. Mr. Rhodes: That's a good idea, and I would like to get questions from someone who really knows what he is talking about. So will you discuss it?

Mr. Sargent: I'll tell you that living where you are you should be damned concerned about it.

Hon. Mr. Rhodes: Yes, I am.

Mr. Sargent: You are paying through the nose for everything you buy. Bell Telephone and the CNR have to justify their freight rates at public hearings.

Hon. Mr. Rhodes: But those are monopoly situations.

Mr. Sargent: What is more monopolistic than a guy who owns a PCV?

Hon. Mr. Rhodes: The trucking industry today is composed of—

Mr. Sargent: Answer me. Can I get a PCV for my area?

Hon. Mr. Rhodes: If you can prove public necessity and convenience, yes.

Mr. Sargent: Well, okay. The guy that has one has a monopoly, doesn't he?

Hon. Mr. Rhodes: No, he doesn't. He would have competition in the area.

Mr. Stokes: Not necessarily.

Hon. Mr. Rhodes: He usually has some form of competition.

Mr. Stokes: I can show you exceptions.

Mr. Sargent: I happen to know that many transport companies in Ontario today can be sold for millions of dollars per unit, per trucking company, because they hold a certain class monopoly on a PCV on that route. This is a matter of fact, and we know that.

Hon. Mr. Rhodes: I would like to ask you—

Mr. Sargent: I tried to buy one at one time. I had some money lined up to try buying one. I know what's going on, it doesn't matter.

Hon. Mr. Rhodes: I would like to ask Mr. Shoniker then, to respond to this question.

Mr. Sargent: You say monopoly controls. If a guy has a PCV, he has a monopoly.

Hon. Mr. Rhodes: No, not necessarily. There may be many other people in the same area who have PCV licences, and there are others. You know and I know that the rates—

Mr. Sargent: Why don't you ask Joe Goodman to talk about it? Get Joe back in there.

Hon. Mr. Rhodes: I am not asking Joe to talk about it. He is not a member of this committee. He is here as an interested observer. What I am saying to you is that you know and I know that a trucking operator can file his rates with the tariff bureau. Then that is the rate he will charge. He can then file with that same tariff bureau a lower rate, and after notification in the due course of a period of time—I think it is 30 days—that new lower rate comes into effect. So there is not a thing in the world—

Mr. Sargent: They file a lower rate every day, do they?

Hon. Mr. Rhodes: I don't know. I don't run around worrying about it. I just don't have the time. But Mr. Shoniker is here.

Mr. Sargent: Well, you should be worried about it.

Hon. Mr. Rhodes: You suggested a monopoly.

Mr. Chairman: Mr. Shoniker.

Mr. E. J. Shoniker (Chairman, Ontario Highway Transport Board): Which question would you like me to answer first, Mr. Sargent, the question of monopoly?

Mr. Sargent: I would like to know why these trucking companies, Mr. Shoniker, do not have to post their rates publicly and justify those rates before a public hearing.

Mr. Shoniker: All right, if I may answer that question. Firstly, Mr. Sargent, the legislation came into this province in 1962 under Mr. James Auld, then Minister of Transport, and the legislation brought in was legislation asking and requesting only that rates would be filed with the board, but there was some—

Mr. Sargent: What is the name of the board?

Mr. Shoniker: The Ontario Highway Transport Board. There was some support at that time by the trucking industry that there should be rate control. There was also support—

Mr. Sargent: By whom?

Mr. Shoniker: The trucking industry, for example, asked that there be rate control.

Mr. Sargent: They wanted to control the rates?

Mr. Shoniker: They supported rate control. I think your good friend Mr. Goodwin down there will agree with what I say. There were certain other smaller industries that supported rate control.

Mr. Sargent: Will you define that, who supported it?

Mr. Shoniker: Who supported what?

Mr. Sargent: You say smaller industries.

Mr. Shoniker: Well, some of the smaller industries in Ontario supported rate control.

Mr. Sargent: By the trucking companies?

Mr. Shoniker: Yes. They wanted rate control, some of the smaller industries in the Toronto area and outside Toronto.

Mr. Sargent: Who did they want to control the rates?

Mr. Shoniker: They wanted the government to control them, the Ontario Highway Transport Board.

Mr. Sargent: They wanted the trucking companies to control the rates?

Mr. Shoniker: No, no; they wanted the board to control the rates of the trucking industry. There were two other factions, two strong factions, that were opposed to rate control. One was the Canadian Manufacturers Association, the other was the Canadian Industrial Traffic League; which of course, are composed of industry generally throughout the province.

There was a decision then, as I understand it, by the government of the day that rate filing only would be brought in, but no rate control. In 1962 legislation was passed permitting the filing of rates with the board—

Mr. Sargent: In spite of the opposition of the CMA, etc.?

Mr. Shoniker: No, they were opposed to rate control, not the rate filing. They opposed rate control and no rate control came in. All right?

Mr. Sargent: I'll try and catch up, go ahead.

Mr. Shoniker: Well, if I haven't made myself clear, I would like to make myself clear to you, because it is important to me that you understand the situation, otherwise I am labouring in vain trying to explain it to you.

Mr. Sargent: But you must understand I am only an ordinary guy. I am one of the people elected here and I figure if I can understand it, the guy on the street can understand.

Mr. Shoniker: All right.

Mr. Sargent: You are talking about rate control and don't define who the rate control is by.

Mr. Shoniker: There is no rate control now at all, sir, the minister told you that.

Mr. Sargent: There never has been, has there?

Mr. Shoniker: There never has been.

Mr. Sargent: That's what we are talking about.

Mr. Shoniker: I beg your pardon?

Mr. Sargent: That's what we are talking about.

Mr. Shoniker: All right. There is rate filing, but no rate control. And ever since 1962, rates have been filed by the truckers with the board.

Mr. Sargent: They set their own rates.

Mr. Shoniker: They set their own rates.

Mr. Sargent: On a monopoly-controlled route.

Mr. Shoniker: No. There are no monopoly-controlled routes that I know of. My friend over here is going to tell me, I hope, in a few minutes, where there is a monopoly and I'll appreciate hearing about it, because of the best of my knowledge—the board is now 20 years of age, and I have been with the board for 20 years—I know very few points in the Province of Ontario where there are not two licensed truckers.

Mr. Sargent: I'm sorry, I take that back. The fact is that I can't get a PCV into my area if I want to buy one because he says what is there now answers the public need. But they have the same rate structure, don't they?

Mr. Shoniker: Yes, Mr. Sargent, you could come down tomorrow and make an application before the board. If you read the annual report you'll see the number of applications that are granted during the course of the year. You could come down and apply to the board tomorrow for a Class A licence and I would be glad to see you. And I mean that.

Mr. Sargent: I know that.

Mr. Shoniker: You could come down and make an application tomorrow for a Class A licence, which is a general commodity licence, between Owen Sound and Toronto. In order to get that licence you would have to prove that there is a need for you to be there as an operator, to offer this service as a common carrier. Your friends in the area, those you may know well, who now have licences, may well oppose you. After all that is too much.

Mr. Sargent: Mr. Shoniker, if Northern are charging X dollars per hundred and someone comes in and charges half-X, what happens?

Mr. Shoniker: If you can come down and prove to me that you can carry on an economical operation between Owen Sound and Toronto at half-X—

Mr. Sargent: Why do I have to prove anything to you?

Mr. Shoniker: —half the rate that Northern are now charging and you can prove to me that you can carry out that operation in a lucrative way; that after six months' time you won't fold up and become bankrupt; and you can prove the people need you and this, let's say, saving of money will be passed on to the public, you will have proved public necessity and convenience in my mind.

Mr. Sargent: Why do I have to prove to you that I won't go bankrupt?

Mr. Shoniker: Sir, if you are going to have the privilege—

Mr. Sargent: It would seem to me you are protecting somebody. Is that it?

Mr. Shoniker: No, just a minute, I never protect anybody, with great respect—

Mr. Sargent: No, I take that back. The policy is protecting somebody.

Mr. Shoniker: All right; that's fine. I am suggesting to you that the licence is the property of the Crown. It is a vested right.

Mr. Sargent: Right.

Mr. Shoniker: To the Crown only, not to the individual who holds it. The government gives you the privilege of holding that licence. Surely, don't you think the government should make sure you are going to be able to carry on a right and proper type of economical operation? That you wouldn't go bankrupt and take the corner man, let's say, in Owen Sound for a \$1,000 gasoline bill? That's why we are concerned whether or not you have a viable operation.

Mr. Sargent: On the same basis, should Bell or the CNR not have to go before a public hearing to justify their rate increases?

Mr. Shoniker: Sir, rate control is another point. I have no jurisdiction over the setting of rates. Before we get into this area, the only jurisdiction I have and all the power that government has given to this board is the filing of rates. I have no jurisdiction to set the rate. I can't set a rate nor can I, in any way, shape or form control a rate other than to say this—when the rates are filed with the board those are the rates the carrier must make available to the public.

Mr. Sargent: Thank you, Mr. Shoniker. Do you have a list of all the rates and different routes in Ontario?

Mr. Shoniker: We have, sir.

Mr. Sargent: Would you publish that?

Mr. Shoniker: It's published and it's in our office at 151 Bloor St. Tomorrow, I would be very pleased to send somebody down here, to pick you up and take you and show you our rate filing bureau. The rates are all there; every rate for every product handled in the Province of Ontario.

Mr. Sargent: At no time, since 1961-1962 has there been any legislation to change that?

Mr. Shoniker: There has been no legislation since 1962 to give the board the right to fix rates or to bring in rate control.

Mr. Sargent: Or to have hearings justifying the rates now in use?

Mr. Shoniker: No.

Mr. Sargent: Why not?

Mr. Shoniker: I am a civil servant. You said you were an ordinary citizen of Ontario—

Mr. Sargent: You do a good job, Mr. Shoniker. I have always admired the way you run your operation.

Mr. Shoniker: Thank you.

Hon. Mr. Rhodes: I suppose I should respond to that.

Mr. Sargent: Yes.

Hon. Mr. Rhodes: I think it's for this very simple reason. From the explanation Mr. Shoniker has given you, subject to what Mr. Stokes may say about a monopoly situation somewhere, to the best of our knowledge we have a competitive situation between trucking firms in Ontario.

Mr. Sargent: No competition.

Hon. Mr. Rhodes: If you were running a trucking business—

Mr. Sargent: The rates are all the same.

Hon. Mr. Rhodes: The rates are filed, but there is nothing to prevent any particular carrier from filing a rate that is lower, as you suggested a little earlier—

Mr. Sargent: Why in the hell would he file a lower rate?

Hon. Mr. Rhodes: As you suggested. You are the one who suggested it in your exchange with Mr. Shoniker: What would happen if someone came in and wanted to file a rate—

Mr. Sargent: They are getting top banana now; why in hell would they cut down?

Hon. Mr. Rhodes: The great faculty you have is being able to make a statement and then run away from it. You made the statement.

Mr. Sargent: Yes.

Hon. Mr. Rhodes: What would happen if you came in for a PCV licence and were willing to file a rate at half of X?

Mr. Sargent: That's the only way I could get a licence.

Hon. Mr. Rhodes: We are saying to you that you could file that rate and there is nothing to prevent you from charging that rate. In fact, you would be required to charge that rate and only that rate once you filed it.

Mr. Sargent: Yes.

Hon. Mr. Rhodes: That's competitive. If you can do it for half of what trucking company A is, that's competitive, isn't it?

Mr. Sargent: It is such a gravy train I don't have to file a lower rate now, because they are all getting top dollar.

Mr. Germa: That is really not what Mr. Shoniker said. He was also concerned that you didn't go bankrupt and leave the gas pump holding the bag so—

Hon. Mr. Rhodes: That's exactly right.

Mr. Germa: I just wondered if that is within his bounds of his jurisdiction, that he has—

Hon. Mr. Rhodes: Yes.

Mr. Germa: —to take into consideration that this application is a viable application. Is that part of his responsibility?

Hon. Mr. Rhodes: Remember that it says, "public necessity and convenience," and certainly part of the convenience has to be that you are not going to stick a whole lot of people with bad debts as a result of somebody who doesn't know how to run a business.

Mr. Germa: Does any other business in Ontario have that protection?

Hon. Mr. Rhodes: No, because not all other businesses in Ontario are, in fact required to apply for a licence that is granted by the Crown.

Mr. Germa: I would suggest then that that should not be an area of concern to the board, which presumably you do. No other business has to prove that it is not going to go bankrupt.

Mr. McIlveen: Glad to see you supporting it, too.

Mr. Germa: Why is that a consideration of licence delivery?

Hon. Mr. Rhodes: I think it is part of the protection of the consuming public in this particular area.

Mr. Sargent: It is a ripoff. It is a ripoff. That is what we are talking about, the public, the consumer. We have no real service in there. We have got to go through trucking and we are at their mercy. They can set any price they want because they filed with Mr. Shoniker. It is okay if you file, so it doesn't have to be low or anything at all. Any figure you give us we have got to buy it. We have got to pay and, by God, we are paying too. We are all paying through the nose.

Mr. Chairman: Mr. Root.

Mr. Sargent: No, sir, I am not through yet.

Mr. Chairman: Mr. Root is ahead of you anyway.

Mr. Sargent: No, I am still on this question.

Mr. Germa: You have been out of order for half an hour.

Mr. Chairman: Mr. Root, followed Mr. Spence, followed by Mr. Stokes, by Mr. Sargent, by Mr. Gilbertson.

Hon. Mr. Rhodes: How did you let Mr. Sargent get in there in the first place?

Mr. Sargent: The member for Kent brought it up.

Mr. Stokes: You are on a supplementary.

Mr. McIlveen: You moved in on a supplementary.

Mr. B. Gilbertson (Algoma): Shows how pushy you are.

Mr. Sargent: I am going to tell your wife a few things. I was talking to her in the hall.

Mr. Chairman: We are discussing programme administration, Mr. Root.

Mr. J. Root (Wellington-Dufferin): Yes, Mr. Chairman, I think I will change the subject, although I could talk on that one, but then I have been involved in the PCV since 1972 and it is highly competitive. About 10 trucks can truck in the same area that we can truck in, so it is very highly competitive, but enough of that. What I wanted to know concerns your Canadian Conference of Motor Trans-

portation. Authorities and your Road Transportation Association of Canada. Out of these conferences, do you have uniform speed limits across Canada, so that when I leave Ontario and land in Manitoba have you been able to iron that out so that you have the same speed limit?

Hon. Mr. Rhodes: No, and I don't think you ever will, because you are not going to find a Highway 401 in Saskatchewan. There is no reason why they should have 70-mph speed limits on their highways out there. I think each jurisdiction should be able to put in its own speed limits, just as in some municipalities you will find its 50-mph and in others it's 40 or 45. The local authority should be able to judge what speed it feels is adequate for the particular highway facility it has, so no, we haven't discussed the uniform speed limits across the country at all.

Mr. Root: I know you did at one time. In 1962 I paid the only speeding fine I ever paid, in Regina on my 30th wedding anniversary, and I never forgot that.

Mr. Stokes: What was your hurry? You'd been married 30 years.

Mr. T. P. Reid (Rainy River): Were you in a rush to celebrate it?

Mr. Root: It was our 30th wedding anniversary we were trying to get to a motel and get to bed.

Hon. Mr. Rhodes: Were you hurrying to or from?

Mr. Reid: You are a better man than I thought you were.

Mr. Stokes: Instead of.

Mr. Reid: Was your wife with you this time?

Mr. Root: My wife was with me and she was afraid I was going to have to go to jail. But I will admit they were very fair. They set up court at 9 o'clock at night and tried me and convicted me and fined me, and then I thought, "Now where do I get a bed?" That's all off the top of my head; that's another little aside. I was only going 80 mph in a 65-mph zone.

The other question I wanted to ask—and I was on a highway sign committee some years ago—is, have you developed uniform signs across the country so that I don't get confused when I leave the province?

Mr. Haggerty: That is the trouble.

Hon. Mr. Rhodes: Yes, uniform signs are pretty well universal now, not only within

Canada but within the North American continent. They find some discrepancies, but for the most part the major signing is uniform.

Mr. Root: I think this is the advantage of having these conferences, to try to get uniformity.

Hon. Mr. Rhodes: We can tell you about speed limits for the future, if you happen to be driving around on your next wedding anniversary. All of the speed-limit signs are pretty well uniform.

Mr. Root: Well, I'll tell you, I paid it. I knew I owed one somewhere, so I paid.

Mr. Haggerty: There must be more to this story than you want to tell us.

Mr. Reid: Did you find a bed?

Mr. Root: Yes.

Mr. Gilbertson: That is enough of that. Get back to the question.

Mr. Root: All right. The other question is on this matter of seatbelts—and I know I have had arguments both ways. Are there any figures, any comparisons, to show how many people are saved by seatbelts and how many people have been killed even with seatbelts on? I've known two or three people who were lucky they didn't have their seatbelts on, just the way the car flipped over and they flew out.

Mr. McIlveen: You're crazy. There isn't such a thing.

Mr. Root: I'm not crazy.

Mr. McIlveen: There isn't an accident that was caused by having a seatbelt on.

Mr. Root: I didn't say that. I said how many lives are lost—

Mr. Reid: A little order here.

Mr. Root: All right, my nephew's wife would have been killed if she had had her seatbelt on.

Mr. McIlveen: You don't know what you are talking about.

Mr. Chairman: Order, please.

Mr. Root: The car turned over and landed right on a stump right over the wheel, but the door flew open and she flew out. She didn't have a seatbelt on. I think it's hard to say it should be compulsory to wear them but I think there are arguments for seatbelts. I wear them on planes all the time, but I don't wear it in the car because I never got in the habit of wearing it.

Hon. Mr. Rhodes: That's always an interesting argument. I've heard people say that they always wear them in the plane but I often wonder what would happen if you didn't. Nobody is going to put you off, I'll tell you.

Mr. Root: Well, the seat can fly out.

Hon. Mr. Rhodes: There are statistics, and I think Sweden is probably the best example of it. A study of accidents—and the exact figures escape me—shows there were no fatalities in accidents up to 60 miles an hour when the occupants were wearing seatbelts. Certainly the classic experience is the experience in Australia where the wearing of seatbelts has shown a drastic reduction in the number of fatalities and the number of injuries, in particular facial injuries. Statistics in Australia will show you that damage to the mouth and to dental work was greatly reduced. There are all kinds of statistics to show that the wearing of seatbelts in an automobile will in fact save lives and will prevent injuries.

You're going to be able to come up with all kinds of weird and wonderful incidences where if somebody hadn't been wearing a seatbelt, they might have been saved. They're going to be rare and far between. I've listened to the arguments about being burned up in your car. I've listened to the arguments that if you go into the water you'll drown because you're strapped in. I'm going to say to you that if you're hit hard enough in an accident and unconscious, no matter if you were strapped in or not, you're not going to get out of it. But at least if you're strapped in, you have the advantage of not being thrown from that vehicle. If you are awake, there is no problem to reach down and undo that belt and escape.

So I think if you use the extremes, you can show all kinds of things. If you ride an elevator everyday, you never know when the cable is going to break and you're going to fall straight down and then, of course, they should ban elevators. It isn't going to happen.

Mr. Root: I'm not opposed to seatbelts, but I think you're on the right track with an educational programme and I think gradually people will accept it.

Mr. Haggerty: The member does not approve of the \$501,000 expenditure.

Mr. Root: I didn't say that. I can see the difference between a motorcycle, where you're sitting out in the open, or a snowmobile, or in a car where you have some protection from the frame of the car. I'm not opposed to seatbelts. I do have people who are undecided. I wondered if there were any accurate statistics

that you could show to the people who are opposed to them that it really pays to have them.

Hon. Mr. Rhodes: Certainly you can show them statistics. There are all kinds of them, and we've used them and shown them. But it's the same old story—it occurs to someone else, not to me.

Mr. Root: Maybe I'm a Calvinist. When my number's up, it's up.

Mr. Reid: That's right.

Hon. Mr. Rhodes: I don't mind if my number's up. It's if somebody else's is up and I'm with them.

Mr. Chairman: Mr. Stokes followed by Mr. Sargent, Mr. Gilbertson, Mr. Ruston and Mr. Reid.

Mr. Stokes: I have two things I want to raise under this vote. I think I owe Mr. Shoniker an explanation for the interjection I made, because I happen to think that Mr. Shoniker is one of the people in this government who does a fine job.

Mr. Shoniker: Thank you.

Mr. Stokes: He's always been very fair and always had an open mind with anything I've brought to his attention. I want to bring something to his attention now that I think is beyond his control, nevertheless, it's a situation that does exist and that can create a monopoly situation under, maybe, unusual circumstances.

It involved a carrier who had a licence to haul from Toronto through Sault Ste. Marie, to the city of Thunder Bay, and, I believe, even beyond into Winnipeg. There was a labour dispute. I believe the employer locked out the employees and decided to operate, on his own, from whoever he could get. Unfortunately, during this impasse between the employer and the employees—and it lasted several months—I got no end of complaints from consignees in my riding. Some of them were major mining companies, some of them were pulp and paper companies which were dependent upon shipments of machinery and other equipment by this carrier. He had the franchise, as the distributor, in those areas covered by those employers who were constituents of mine.

The net result of this was that shipments would come from Toronto through Sudbury to Sault Ste. Marie, and would stop there. For some reason it wasn't possible, under the licence or under the method of operation, to get that shipment beyond Sault Ste. Marie and delivered, say, to two mining companies in Manitouwadge. The upshot of it was that those

shipments had to be transferred from Sault Ste. Marie back to Sudbury, and shipped, CP Rail, from Sudbury to Thunder Bay and then back to Manitouwadge. As a result the freight tariff on those shipments was double. If it cost \$10 under normal circumstances, it was now costing the consignee \$20.

We tried, through the Highway Transport Board, to effect some kind of an alternate means of shipping those goods, during this impasse of several months. There was no way that we could do it. I venture to say that it cost the consignees—in this case it was Willroy Mines and Noranda Mines, Geco division—tens of thousands of dollars simply because the employers weren't willing to succumb, I suppose. They said, "I don't need a union. I refuse to bargain with them. I'll operate without them." For months and months on end it was impossible to get a shipment past Sault Ste. Marie.

Hon. Mr. Rhodes: Can I ask just one question on that? Are you suggesting that there were no other shippers, no other trucking companies that were capable of delivering between Sault Ste. Marie and Thunder Bay?

Mr. Stokes: Yes, but they didn't have the right to drop off at Manitouwadge. Kingsway Transport, for example which operated between Toronto and Thunder Bay and beyond, and I don't know how many others, didn't have the right to distribute in Manitouwadge. This employer had what I consider to be a virtual monopoly, simply because he had the franchise to drop off at intermediate points like, say, White River, Marathon, Manitouwadge and places like that.

The net result was you had a captive shipper; you had a captive consignee; and if it cost double to land that from the point of origin to the point of destination my constituent companies were the losers. I consider that to be a monopoly position.

I took it up with Mr. Shoniker. He said there was nothing he could do. I went to the federal people because this fellow was operating under an interprovincial licence. There was nothing they could do. They passed the ball back here. If that isn't a monopoly and if those aren't usurious shipping rates when a consignee has to pay double charges, I don't know what are. There has to be something done.

Mr. Shoniker: Right. Of course, we are talking about the unfortunate time when Lakehead Freightways were on strike. Whether they were on strike or whether it was a lockout I am not prepared to say because I don't know, sir.

We had lots of carriers carrying between Toronto and the major points along the road, such as Thunder Bay. Our problem in this particular area—and nobody knows it better than you, sir, with great respect—was we had two or three little offshoots. The two or three little offshoots are not lucrative enough I suppose, to bear two carriers in the area.

This seems to be the general feeling of the people; I have approached the people in that area two or three times. I did at that time. If you remember, you spoke to me and I personally went into the area to see what I could do. I think I explained to you there were certain labour problems we were also faced with with the other companies which had proposed going in. They had labour problems because this was a strike situation in the area.

I don't think the monopolistic position that Henry Smith may have up there, as far as Lakehead Freightways is concerned, was from a competition standpoint as much as it was a labour problem and problems of trying to serve a sparsely populated area at a time when the company which usually afforded the services had labour problems.

You will recall I spoke to you at the time you spoke to me and I did go to Thunder Bay. I did go up to the area. I did speak to Kingsway Freight lines. I also spoke to one or two of the other major carriers to try to get them to go in. But there were circumstances beyond my control and I couldn't do it. I suppose if we had had another two carriers in there, I don't think the routes in question—I think you have always been a fair-minded man and I think you will agree with me that the freight to be carried in the area is such that it wouldn't really be lucrative for more than one carrier to serve that specific area.

Mr. Stokes: There is another carrier which does serve it, perhaps under a different class licence.

Mr. Shoniker: Yes, we put another carrier in there.

Mr. Stokes: Arnone?

Mr. Shoniker: Arnone. We put Arnone in. We put Arnone in right after or during that period, if you will recall. If you will recall, we amended his licence and put him in there to assist because he was the only one that could carry on a lucrative operation.

Mr. Stokes: Does that mean, Mr. Shoniker, that the situation such as I explained it would never happen again unless both of them happened to have labour trouble at the same time?

Mr. Shoniker: I would suggest it couldn't happen again unless they both had labour trouble at the same time.

Hon. Mr. Rhodes: I think it is fair to say, too, from the board's point of view—and I think you have assessed it very well—that if, after the particular labour problem developed, Mr. Shoniker and the board had issued an interim licence to someone else to carry those goods into Manitouwadge, we would have been severely criticized as being strike-breakers.

Mr. Stokes: Yes, but that wasn't the case because Arnone was serving the area while all this was going on. Obviously his licence had to be amended to see that essential services were provided without charging the rates I alluded to earlier. I wanted to indicate that there are circumstances under which there can appear to be a monopoly.

Mr. Shoniker: I would have to agree with that, Mr. Stokes.

Mr. Stokes: I want to get into safety, and I want to get talking about passing lanes. Unfortunately, the minister couldn't be in the north during two very important conferences that took place recently—one of them the Northwestern Ontario Municipal Association meeting in Marathon where your colleague, the Minister of National Resources (Mr. Bernier) did his best to answer the questions on your behalf; another, the cabinet meetings in Thunder Bay. I believe in both instances the matter of highway safety came up.

I want to put it in the context of two things. One commitment that you made was that as long as you were minister there would be no highways built with less than 22 ft of travelled surface. And it's been brought to the attention of your ministry that there are many, many highways—not King's highways but certainly many, many important highways in northwestern Ontario that I know of—where the travelled portion is only 18 ft without any shoulder to speak of.

So it's very, very difficult with these wide loads—particularly tree lengths of timber—where you get two vehicles meeting. One invariably has to get one wheel off the normal travelled portion of the road in order to pass with safety. Certainly that is the case when you get two extra-wide loads meeting under those circumstances.

What has been the change in your ministry's policy with regard to minimum widths for highways, where you expect the normal run of traffic?

Hon. Mr. Rhodes: I can't do anything very much about what has been done, but I can

tell you that the policy of the ministry now is that any provincial highway that is built and being surfaced will be 22 ft on the regular travelled portions, and 24 ft on the curves. Prior to this it has not been that width, there is no question about it.

Mr. D. M. Deacon (York Centre): Highway 144 was not that way, was it?

Hon. Mr. Rhodes: No I don't think 144 was. If you want to go into them, I can give you a list as long as your arm where they were not.

Mr. Deacon: That is of relatively recent construction.

Hon. Mr. Rhodes: Before my time.

Mr. Stokes: I want to remind the minister that under those circumstances, in the winter-time particularly, if you are in rock cut or some place where there isn't a depression, you know what happens with snow build-up—it encroaches on that 18 ft width and there's no way a vehicle can get off the travelled portion of the road if he's stopped through a motor failure or for some other reason. He's got to stop in the middle of the road. It creates a hazard, particularly on those highways where the alignment, with blind hills and curves, leaves a lot to be desired.

I realize that you can't tomorrow just snap your fingers and come up with a couple of hundred million dollars to bring all of those roads up to standard. But I think there should be a commitment by the ministry to systematically take the most dangerous, the most heavily travelled roads and see that they are brought up to standard and made safer as quickly as possible.

Hon. Mr. Rhodes: I make this point and I don't make any apology for making it. I am satisfied that over the past number of years the development of highways in northern Ontario has not received the same treatment as it has been given in southern Ontario. There is no question in my mind; we have not had the pavement widths. As far as I'm concerned I don't think there has been the attention paid in northern Ontario to the requirements for highways.

I can only say to you that as far as I'm concerned that requirement is going to be made. Trucks travelling in northwestern Ontario are just as wide as they are in southern Ontario. We've got to have the same width of highways. And that particular decision is made and the ministry is carrying it out accordingly. We are going to have some problems with existing highways but when new highways are constructed and new paving goes on, adequate widths will be there.

Mr. Stokes: The final thing I want to get into is the matter of passing lanes. Up until an announcement made just recently by the—

Hon. Mr. Rhodes: If I may interrupt for a moment, I don't mind discussing this at all; but I am wondering if we can pass item 1, programme administration, and get on to the construction which is what you are interested in.

Mr. Stokes: Well, it is safety that I am talking about. Maybe I shouldn't allude to passing lanes, except in passing.

Hon. Mr. Rhodes: That was so well done, go ahead.

Mr. Stokes: What I want to talk about are slow-moving vehicles.

Mr. Reid: I didn't know there were any in northern Ontario.

Mr. Stokes: Well, there are, and overloaded trucks. What I am talking about is the slow-moving vehicle.

Last holiday weekend I was driving to Thunder Bay in a rainstorm to fly down here. I suppose it is common to see a backup on Highway 400 or 401, but is uncommon to see it on Highway 17 except in very rare circumstances. That was the case—I think it was two weeks ago. At the head of this parade were on overloaded tractor-trailer and a vehicle with a stake frame or an open frame with a load of steel from either Hamilton or Sault Ste. Marie. I clocked them going seven miles an hour up a grade that was a mile and a half long.

You know darn well what happens when you get slow-moving vehicles like that. It was bad enough that they were only going about seven to 10 miles an hour, but they were bumper to bumper in a rainstorm. I saw no fewer than five people in that line pull out when they had no business pulling out. Notwithstanding the fact they were going slow, there was still that plume coming up from behind them with those dual wheels, and there was no way that they should have been pulling out. Human nature being what it is people will only put up with that for so long and they will lose patience and say, "Oh, I'll take a chance," on a solid line, around a curve or on a blind hill.

I don't want to get into the passing lane thing because I know you have made an announcement, but I can count the number of passing lanes between Wawa and Winnipeg on the fingers of one hand. There is a need for them and a bad need.

In addition to that, will you see if you can enforce two things? One is that slow-moving vehicles maintain a sufficient distance between them so that somebody coming along can pull out, pass and get in between them, if necessary, with safety. There is no possibility of getting safely around two vehicles whose combined length is maybe 100 ft., unless you have half to three-quarters of a mile of good vision, which is rarely the case in northern Ontario with alignment such as it is.

Then will you see if you can't do something to see that the loads that they are permitted to carry will make it possible for them to maintain a speed of, say, 35 to 40 miles an hour?

Your only alternative to that is to build passing lanes. You are going to have to build new highways, with passing lanes, because of the road alignment that we have in many areas, particularly along the north shore of Lake Superior, where if you can get a quarter of a mile of straight going or tangent road, you are very fortunate.

This is continuing to be a problem since we have much more heavy transport traffic on our northern roads than we have ever had before and it is growing by the year. You are going to have to come up with some kind of regulation so that these people who are hauling with these heavy vehicles will maintain a speed of at least 35 or 40 miles an hour and so that people just don't become so frustrated and so impatient that they are being led down the garden path; otherwise, it's going to result in death and serious injury and high property damage.

Hon. Mr. Rhodes: First of all, let me say that I am totally familiar with that problem, and you have described it very accurately. Secondly, I say that I recognize the need for passing lanes and I tell you that there will be 27 passing lanes put in the area between Sudbury and Thunder Bay—the majority will be north of Sault Ste. Marie by a fair number of miles, and on up through the area you are talking about. There will be 27 new passing lanes put in there.

Mr. Stokes: Over what time frame?

Hon. Mr. Rhodes: This year. They are all on the work order for this year—27 of them.

Mr. Reid: After all, it is an election year.

Hon. Mr. Rhodes: Well, I would take some exception to that, because last year wasn't an election year and I put in quite a number of them last year too. I'm a great fan—

Mr. Reid: I hope you are not objecting to the fact that it is an election year.

Mr. Gilbert: With the greatest respect, I would say a very vocal minister from northern Ontario has to take the credit for it, because everything he has been saying we in the ministry have been hearing about ever since he became minister. As far as these passing lanes are concerned, we have certainly reacted to his request.

Hon. Mr. Rhodes: There will be 27 of them going in.

As for the commercial vehicle situation, section 105(2) of the Highway Traffic Act now provides that there has to be 200 ft. between these large vehicles on the highway. It's an unfortunate situation, I know, but they are required to leave 200 ft. between them when they are travelling.

Mr. Stokes: Well, they are not doing it.

Hon. Mr. Rhodes: I am sure you are right, and I have experienced it as well. But the Act does provide for them to be 200 ft. apart so that there would be some sort of opportunity to pass.

Another thing we have done is the advance signing we have put on the highways for passing lanes; these signs say, "Passing lane one mile ahead," so that people will know the opportunity is coming.

The other thing we have done is to change the wording on the sign—this is one I never liked—that said, "Slow traffic keep right," when you hit a passing lane. You know, if you happen to be a little old lady, 65 years old, driving along in your car at 40 mph, you think you are in the Le Mans race.

Mr. Reid: None of us have been little old ladies.

Hon. Mr. Rhodes: When she sees the sign saying: "Slow traffic keep right," she says, "I hope all that slow traffic keeps right," and she stays in the middle. So, what we have said is—

Mr. Reid: "Little old ladies get over to the right."

Hon. Mr. Rhodes:—"All traffic stay to the right," so that the centre lane is for passing only. Believe it or not, the wording on that blasted sign was causing us a problem; nobody thought they were going slow, regardless of what speed they were going. Now they are getting over to the right-hand side and staying off the centre lane.

Mr. Deacon: And in the other direction you have a sign reading, "Pass only when centre lane is clear."

Hon. Mr. Rhodes: That's right, for the downbound traffic.

These are things that have been done in the hope of improving the opportunities to pass, and with a greater degree of safety, and at the same time to advise people on the highway that an opportunity to pass is not that far away—don't get impatient, take your time, you will get your chance.

The truckers for the most part, I think you will agree, if there is a passing lane they get over on to that lane and they stay to the right. We have also done away with the attitude that the only place for a passing lane was on a hill. We don't do that any more. We put in passing lanes at regular intervals, whether it's on the flat straightaway, the hills, or whatever it may be, so that there are opportunities more often. And there will be more of those go in. Jack, I think you and I agree, as much as we want to see a four-lane divided highway across northern Ontario, it is not going to happen overnight, and this is the best thing we can do at this time to help the situation.

Mr. Deacon: It makes no sense.

Hon. Mr. Rhodes: There has also been some work done with respect to the power-weight ratios as far as speed is concerned and being able to retain some degree of speed. We are considering a horsepower standard for oversize and overweight loads under permit. But, as it stands now, we haven't got that sort of thing and we license a vehicle to carry such-and-such a load. Therefore, I guess, without taking into consideration the type of terrain they are going through—certainly travelling up through the area you are talking about where there are some steep grades and some long grades—that same load travelling on a flat straightaway would be going along at a fairly good average speed but on those hills they slow right down, you are right.

Mr. Stokes: That's the big problem because unless you get a long stretch, you are dogging these slow-moving vehicles at eight, 10 or 15 mph. When they get to the top of the hill, with their weight, it doesn't take them long to pick up momentum and half a mile down the road, it is straight but they are going 65 or 70 mph and you have to get up to 80 or 85 mph to pass. You just don't want to; you are most reluctant to do it. By the time he slows up you are on a curve, he is on a hill and it is the same thing mile after mile. I firmly believe that's what causes a lot of accidents, because of driver frustration and impatience.

Hon. Mr. Rhodes: I don't think there is any question of that at all, on those two-lane

highways in that part of the world—not only there, for that matter—on two-lane highways anywhere where there are no passing opportunities. We have slow-moving traffic, and not only trucks.

We can point, I think, just as vividly at the vacationer who gets his low-powered automobile, hooks on a trailer, overloads the blasted thing and takes off. He's in the same sort of situation, trying to climb a hill with a trailer carrying too much weight for the power of his vehicle. He creates the same problem. They travel, as you well know, two and three together and they create all sort of problems, too. The passing opportunities are essential to the good movement of traffic.

Mr. Stokes: A final safety thing I want to bring up with you: I notice in your programme on page 101, construction projects, you have Schreiber, easterly, for one mile. That falls under safety as a result of a lot of correspondence both you and I have had. There have been some fatal accidents. Two young school teachers were killed there but I don't want to get into that. I see they have a lot of these overhanging lights there now. That illuminates the curve but it still doesn't improve the safety factor and I want to tell you why.

I think well over 50 per cent of the accidents there have involved transport trucks and tractor trailers. The fact of the matter is that is a six degree curve; if they keep the right front wheel of their vehicle on the pavement, the left trailing wheels are over the white line. It's simply because there is no other way with a vehicle about 80 ft long. If he keeps his front wheels on the pavement, his rear wheels are going to be lopping over into the opposing lane of traffic.

The thing is either you have to realign that road or you have to widen it by at least another 10 ft. As soon as they saw those lights going up, the people said, "Sure, it has illuminated the thing but you still have a 45-mph restriction. You still have a checkerboard on a newly-constructed piece of highway." I would like to be able to report back to them that you don't think lights are going to be the only solution to that particular problem.

Hon. Mr. Rhodes: You can report back that the lighting there and the sign there are strictly temporary measures. There will be some widening done as a temporary measure, and that total area is being realigned and reconstructed.

Mr. Stokes: Thank you.

Mr. Chairman: Mr. Sargent.

Mr. Sargent: Mr. Chairman, I have a couple of things and I will try to be as brief as possible. In this estimate here, under licensing—

Hon. Mr. Rhodes: Hold on. Are we finished with programme administration then?

Mr. Chairman: Programme administration?

Mr. Sargent: Programme administration? Okay. I was going to take the whole three votes there. You are just talking about the first one?

Hon. Mr. Rhodes: We are dealing with the vote item by item.

Mr. Sargent: Then I will just leave that. The only thing there was that I have bus operators up our way who can't get enough drivers, and your licensing people have a two- to three-week lag before they can put them through the hopper.

Hon. Mr. Rhodes: We can discuss it under licensing.

Mr. Sargent: If there are peak periods in this business, I think you should try to get more staff, because bus operators are a must and they are hard to get. I want to get back to the most important thing, I think, as far as I am concerned which is that this billion-dollar monopoly in freight rates has to be broken. This government has been in power 32 years. At least since 1962, Mr. Minister, it has had 13 years with a blank cheque.

I admire how you can sit here day after day and take all this flak from us guys, but this is important to me. I think your staff must get fed up with the politicians talking, but this is very important. It's 13 years we've had this love affair with this multi-billion-dollar operation. I've been told that this group subscribes very heavily to the Tory coffers at election time. I'm being political, Mr. Minister, but it's a blatant example of the consumers being ripped off to the tune of hundreds of millions of dollars every year. This finds its way into every home in this province. There are eight million people affected by this monopoly.

If the government is concerned with a meaningful attack on reducing the cost of living, this is one way in which to do it. In my mind, no industry I know of has this protection that this industry has in such huge proportions. They have a combined operation, Mr. Minister, that involves billions of dollars in physical rolling stock and with billings to the public of hundreds of millions of dollars. We know that's a fact. Mr. Goodman can tell you that. So you try to buy any one of these plants, these PCVs, and you're talking in the millions of dollars.

Your deputy minister may recall that in 1973 the government lowered rates. You lowered rates, I think, from southern, central Ontario to northern Ontario—Timmins, Kapuskasing, etc. This was via the Ontario Northland Railway and Star Transfer, both Crown corporations, and two privately held common motor carriers using the subsidy route. My people wrote me to say that they wrote the member for Armourdale (Mr. Carton) when he was minister on Oct. 23 and Dec. 11 asking what the regulation "activity" had cost. They have had no reply to this time.

I don't want to flog this thing. Mr. Minister, you have a sincere regard for the people you serve in the north country. All we hear is Highway 17 in the meetings I go to—your great north country and what you're doing for it up there. But the big job you can do for all the people of Ontario is to give them a meaningful look at what appliances cost people in North Bay, in Windsor, in Ottawa shipping out from here—the extra costs they're loading on because of the love affair you have with these people. I say very sincerely that it's time you came out and made a statement on it.

I would like the deputy minister to reply to the fact that you did lower rates on freight.

Hon. Mr. Rhodes: I think I can reply to that. I don't need the deputy to reply to it. I'm very familiar with that situation, and let me tell you that the experience that you are talking about was done as an experiment and it was not a success; it was a total failure. It just didn't work.

We introduced the subsidized freight rates on a great many commodities, off-the-shelf commodities, in an effort to see whether or not freight rates could be reduced in northern Ontario. It didn't work. It didn't work with many of the commodities that we're talking about, such as groceries, goods that were off-the-shelf and purchased in the various chain stores and what have you.

It was very quickly realized that the only person putting any money in his pocket was the shipper out of southern Ontario, because the off-the-shelf prices were no different in Timmins or in Kapuskasing, or in any of those northern communities, than they were off-the-shelf in Loblaws, Dominion and A&P right down here in Metropolitan Toronto.

So we switched then, with a view to doing something we thought might be a little more advantageous. But we found there was some difference in the moving of the larger items, such as large appliances, furniture, building materials and this sort of thing. We made special lists of those, which we can make avail-

able to you if you want to look at them. Mr. Summerley, I'm sure, has that list. We have all the information. What happened was that that didn't work either, because the particular item would land in one store—

Mr. Sargent: Let me ask a question, sir.

Hon. Mr. Rhodes: Yes.

Mr. Sargent: Who said it didn't work?

Hon. Mr. Rhodes: I'm telling you it didn't work because we know it didn't work. I'll tell you why.

Mr. Sargent: Were you there? In 1973?

Hon. Mr. Rhodes: Yes.

Mr. Sargent: What were you doing there?

Hon. Mr. Rhodes: I'm the guy who was responsible for taking the thing off because I saw what had happened.

Mr. Sargent: Oh, you were? You were concerned about the freight costs, were you?

Hon. Mr. Rhodes: Absolutely. I took it off.

Mr. Sargent: I see.

Hon. Mr. Rhodes: If you would sit there and keep quiet long enough to hear me out you would know why I took it off.

Mr. Sargent: Listen, I have the right to ask any question I want. If you can pepper off at me I can talk to you the same way.

Hon. Mr. Rhodes: And I have the right to answer you. I was respectful enough to sit and listen to you ask your question. I would request that you do me the same courtesy and let me answer.

We failed in that effort for the simple reason that that particular saving was not being passed on to the consumer. We found the difference was being picked up by the retailer in the area. You can take my word for it or take the word of the gentleman who worked long and hard on that particular programme, trying to make it work. Mr. Summerley is here and he can tell you exactly what happened—it just didn't work—in trying to subsidize and adjust the freight rates.

Mr. Sargent: Who are you concerned about? The trucker?

Hon. Mr. Rhodes: No, we were concerned about the consumer, and we thought we had found a way to get those freight rates lower for the consumer in those northern Ontario communities.

Mr. Sargent: But you did get them lower, you subsidized them.

Hon. Mr. Rhodes: But the rates weren't adjusted. The prices didn't come down.

Mr. Ruston: The reduction wasn't passed on.

Hon. Mr. Rhodes: The retail price didn't come down.

Mr. Sargent: That is mechanics.

Hon. Mr. Rhodes: I will tell you how mechanical it is—

Mr. Sargent: We are talking about \$100 million worth of savings to the people of Ontario, and just because it doesn't work one time doesn't mean—

Hon. Mr. Rhodes: Don't cloud the issue. You asked me if we tried it and what happened to it, and I have answered you; it didn't work, and we ended up paying subsidies.

First of all, the Crown corporation—Ontario Northland—and Star Transfer both experienced severe losses. We subsidized the private operators who are operating in the same corridor, which cost the Treasury of Ontario a fair number of dollars. The savings were not being realized by the consumer. I am not going to proceed. Mr. Summerley.

Mr. Sargent: Before Mr. Summerley comes on, one question: Do you know of any other industry of maybe 400 or 500 companies in this province that enjoys such protection from the government? Any other one?

Hon. Mr. Rhodes: I don't know what protection they enjoy, because we don't do anything to protect them. We don't set their rates; we don't challenge the rates. What are you talking about, protection?

Mr. Sargent: You give them monopoly routes.

Hon. Mr. Rhodes: No, there are no monopoly routes.

Mr. Germa: Can I add to what Mr. Sargent said? I am going back to something I said the other day when I read some quotes from the northeastern Ontario municipal action group. I am going to read it again and ask you to respond. It says here, and I am quoting from the Timmins Press of Nov. 28, 1974:

One of the main reasons for high freight rates is that trucks often haul goods only one way, the group says. Establishment of a central depot—one in Toronto and one in Timmins—would ensure maximum use of trucks in both directions, the group suggests. Goods delivered to the depots for delivery by smaller carriers could be accommodated. The proposal would eliminate the use of

PCV licensing to and from the depot. The group also suggests the removal of PCV licensing from items such as plywood that are hauled in bulk. The action group suggests carriers be permitted to return to their home base with goods, rather than empty.

I have raised this a half a hundred times and no one has been able to tell me why trucks have to travel 300 miles empty.

Mr. Sargent: No payload.

Mr. Germa: No payload. That's an added cost to the consumer.

Hon. Mr. Rhodes: I will let Mr. Summerley respond to that, because he has been very intimately involved with all of this area. Robin, would you respond, because you have been working on this fairly closely and very hard for quite some time.

Mr. R. Summerley (Manager, Economic Policy Office): The particular topic was discussed with the Premier (Mr. Davis) in a meeting of the action group approximately a month ago, at which the deputy minister represented our minister. The suggestion on the centralized depots was rejected for two reasons. First of all, what it would have done was eliminate the system of PCV licensing which we have and which we feel is operational and we didn't want to do that.

Mr. Germa: For what reason, could I interject? Why do you want to maintain this PCV structure? What good is it to the people of Ontario?

Mr. Summerley: Mr. Shoniker, as the expert on this area, can probably speak to it more than I can. There are a number of minor items which I would like to point out.

First of all, the transport industry is a service industry. It has to provide an adequate service to the people who are using it and historically it has been a very unstable industry. It has been the responsibility of government to provide some form of stability to ensure that the shippers do have protection and security and so that they know they can go to a trucker and get the kind of services they need. That is the main reason we are involved in it. Mr. Shoniker can obviously give you many more details.

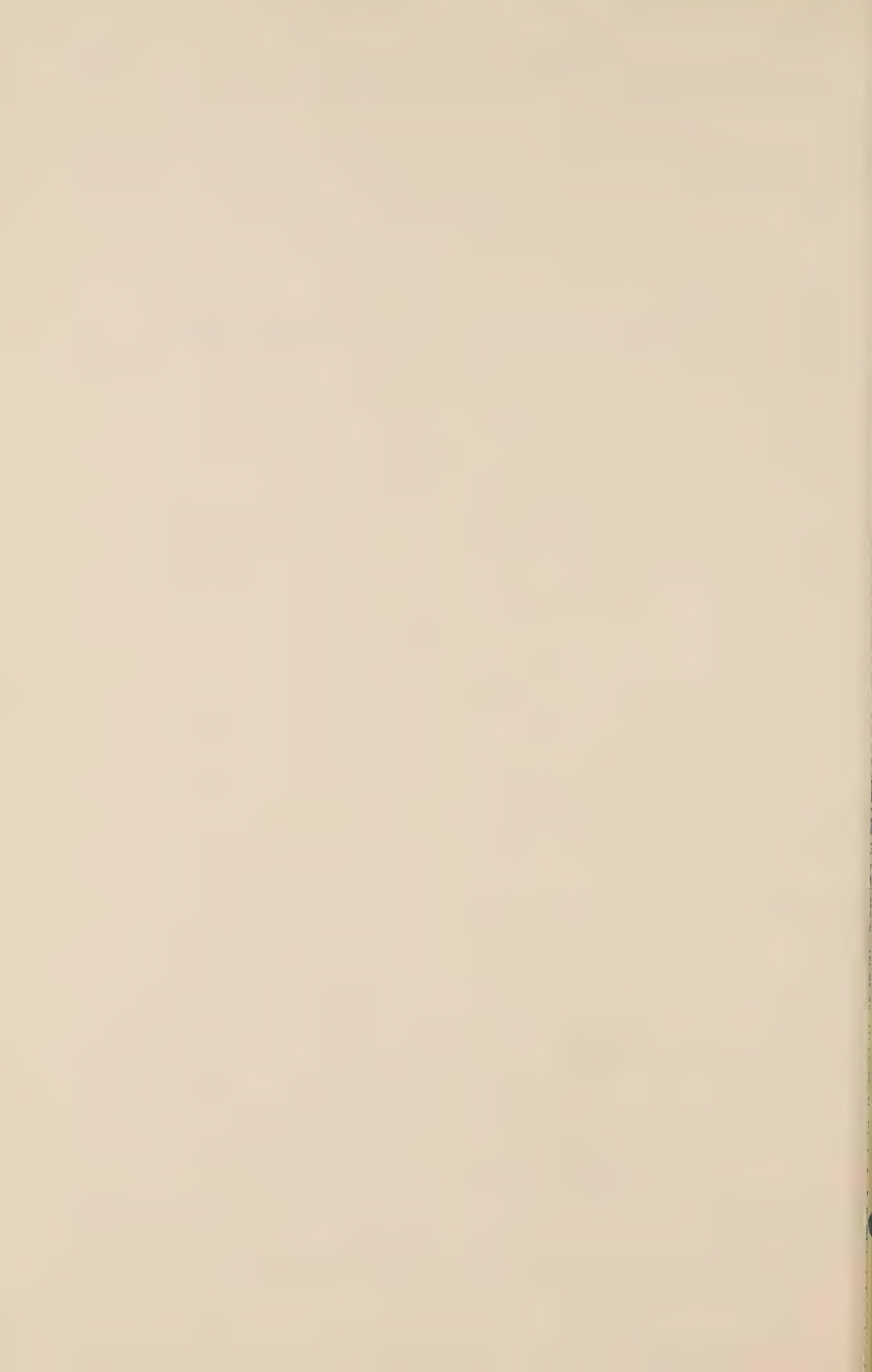
Mr. Germa: That substantiates Mr. Sargent's argument, that you are being protective to the industry.

Mr. Chairman: It being 10:30 of the clock, the committee will rise and continue tomorrow.

The committee adjourned at 10:30 o'clock, p.m.

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Ontario. Legislative Assembly

Legislature of Ontario Debates

ESTIMATES, MINISTRY OF TRANSPORTATION AND COMMUNICATIONS

Standing Resources Development Committee

Chairman: Mr. R. K. McNeil

OFFICIAL REPORT — DAILY EDITION

Fifth Session of the Twenty-Ninth Legislature

Tuesday, June 3, 1975

Afternoon Session

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

THE QUEEN'S PRINTER
PARLIAMENT BUILDINGS, TORONTO
1975

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Daily index of proceedings appears at the back of this issue. Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff (Phone: 965-2159).

LEGISLATIVE ASSEMBLY OF ONTARIO

TUESDAY, JUNE 3, 1975

The committee met at 3:05 o'clock, p.m.

ESTIMATES, MINISTRY OF TRANSPORTATION AND COMMUNICATIONS

(continued)

Mr. Chairman: Gentlemen, I guess we have a quorum now.

On vote 2303:

Mr. M. C. Germa (Sudbury): Mr. Chairman, we were right in the middle of a topic last night when we broke off. You have all the experts telling us about the decision the Premier (Mr. Davis) made in response to the brief from the Northeastern Ontario Municipal Action Group, as it relates to PCV trucking and establishment of a depot in Toronto and Timmins so that trucks would be carrying loads in both directions.

Mr. Chairman: Perhaps before we go on we could have that person finish his statement.

Mr. R. Summerley (Manager, Economic Policy Office): The request by the action group was met with the following response: We examined it. We agreed there was a problem with empty trucks but that the problem was not caused by the PCV structure. The proposal for putting in the two depots in Toronto and Timmins wouldn't solve the problem; all it would do is destroy the existing PCV system.

Mr. Germa: I wonder if you could get some figures of how many trucks are on our highways that are not really carrying a load but are only returning to their starting point.

Mr. Summerley: We don't have those figures here.

Mr. Germa: I think it is important that we know, Mr. Minister, because trucks are becoming a real hassle on our highways. We have an admission that a lot of our trucks are going empty and just cluttering up our highways. I don't think we built our highways just to keep the tires warm on these trucks, and if a truck has got to be on the highway, then it has got to be loaded.

Now I ask the minister, what is your thrust in this area? What are you going to do to en-

sure that we are not cluttering up our highways with empty trucks?

This group has offered a proposal. The Premier has rejected it out of hand without any explanation other than the fact that it is against our principle to break up the PCV structure. If the PCV structure is just there for the benefit of the truckers, then I think it is time it was revamped.

Hon. J. R. Rhodes (Minister of Transportation and Communications): I think one of the things we have to remember is that a lot of the empty trucks we see on the highways, particularly in northern Ontario, are the flatbed trucks that are hauling lumber. Of course, it is a one-way haul with most of the flatbed trucks, so you are going to see a number of those empty on the highways.

As Mr. Summerley said, I can't give you statistics as to what trucks on the highways are empty and what trucks are loaded. I don't think we have ever attempted to determine what those numbers were.

Mr. Germa: Well, you have said trucks are a problem; there are too many of them on the highway. The number is proliferating every year. Don't you think that would be a good project for your research or planning branch to go out on the highways and find out how many unnecessary trucks are on the highways? I think this proposal by the northeastern Ontario action group is a reasonable proposal.

Hon. Mr. Rhodes: I suppose there is a way of finding out just about anything you want. If you want to spend the time and the money to do that type of survey it certainly can be carried out.

Mr. Germa: I think it's worth the effort. I'd like to go back to something else the minister may have stated earlier—that Alberta runs without any PCV licensing system. If Alberta can have trucking without a PCV licensing system, why cannot the Province of Ontario?

Hon. Mr. Rhodes: There is a lot of chaos in Alberta as a result of that. There is a lot more order in the trucking industry in Ontario and in the other provinces and jurisdictions that have licensing of sorts than there is in those jurisdictions that do not have it. You can ask

the shippers and the trucking industry in Alberta what sort of problems they run into. You want to keep in mind the PCV licence wasn't something the truckers asked for, it was something the shippers asked for to get some order from the chaos among the trucking companies at the time. It was not the truckers who asked for PCVs.

Mr. Germa: I think now though, it's working to the benefit of the trucking industry.

Hon. Mr. Rhodes: That's a matter of opinion.

Mr. Germa: It's adversely affecting the consumers of Ontario when we see this happening, and it is happening. Particularly between points in the north and points in the south.

Mr. Chairman: Mr. Ruston.

Mr. R. F. Ruston (Essex-Kent): Mr. Chairman, could we have clarified before we go on what are the intentions of the committee tomorrow? Last Wednesday, I understand, the estimates committee met.

Hon. Mr. Rhodes: I hadn't intended to meet tomorrow. There are a number of commitments that I have.

Mr. Ruston: We are also under the impression that you can't meet on Thursday, so that will be another committee.

Hon. Mr. Rhodes: I understand the estimates of the Minister of Consumer and Corporate Affairs (Mr. Handleman) are coming on Thursday and Friday and we are back the following Monday.

Mr. Ruston: That's fine.

Mr. Chairman: We will meet tonight.

Mr. Ruston: Mr. Reid asked if he could get on for about five minutes because he has to leave right away. Would I lose my place or could you arrange that, Mr. Chairman?

Mr. T. P. Reid (Rainy River): I'll be very brief.

Mr. Chairman: That is fine.

Mr. Reid: Mr. Minister, what I want to bring to your attention under the heading of safety is a problem I've personally had some experience with. This is the problem of pulpwood sticks on the highways, particularly in northern Ontario. I've been in touch with your ministry officials at the regional level and there seems to be some kind of vagueness about just who is responsible for pulpwood sticks, either the ones that fall off a pulpwood truck individually, or when a whole load is dumped.

I'd like to know whose responsibility it is, first of all, to clear them off the highway, because they are a real hazard to motorists; and secondly, is it possible to step up your inspection of these trucks?

To give you a brief example, about two weeks ago I was travelling back to Fort Frances from Atikokan. A heavy car in front of me hit a pulpwood stick. It was about 8 ft long and about maybe 4 in. across. It blew his front left tire, tore up the bottom of his car and ripped his back bumper off. I came along about five minutes behind him in a much lighter and cheaper car, and had I hit that pulpwood stick unfortunately—or perhaps fortunately for you—I mightn't be here today because I would have gone into a rock cut.

It seems to be an increasing hazard, particularly in my area. It may be isolated, but I doubt it. I wonder what steps the ministry can take and has been taking to ensure that this is kept to a minimum.

This was at 12:30 at night by the way, so as you can imagine, you can't see these things. I was coming back from the announcement of the Minister of Energy (Mr. Timbrell) about the new hydro plant for Atikokan.

Mr. J. E. Stokes (Thunder Bay): You mean to say the first guy that hit it didn't remove it?

Mr. Reid: Oh, he removed it.

Hon. Mr. Rhodes: He knew who was following him.

Mr. Reid: He was out there putting it back in place when I came along. In any case it has become a really serious problem, because a trucker can have one stick fall off and not know it is gone, but there are increasing numbers of whole loads being dumped. Rather than going to the trouble of picking them all up, the trucker just leaves them there. Somebody is going to get killed in a situation like this.

Hon. Mr. Rhodes: Mr. Aiken, perhaps you could comment on that.

Mr. H. J. Aiken (Executive Director, Regional Operations Division): Yes, Mr. Chairman. Section 68(2) is the section of the Highway Traffic Act that deals specifically with the making of regulations with respect to the loading, covering or securing of loads.

At this time there is a requirement with respect to the loading of the vehicle. There is a penalty, of course. If some part of the load is insufficiently covered or secured or bound so that a portion of the load becomes dislodged or falls a charge could be laid and,

after the hearing of the evidence, perhaps a conviction registered.

Those are in very general terms. That was strengthened by way of a recent amendment that permits the Lieutenant Governor in Council to make regulations prescribing the manner of loading and securing loads on vehicles or classes of vehicles.

At this time there is no regulation that deals specifically with the loading of pulp logs or bolts. However, if this is a problem then it should be possible to address that problem specifically and to develop regulations that would apply to the carriage of that commodity.

From the point of view of enforcement, essentially it is the responsibility of the police agencies—the Ontario Provincial Police or municipal police—as they happen to travel through their jurisdictions. However, our highway carrier inspectors play a role. There are many miles of road and many vehicles carrying pulp, so it may not be adequate.

Mr. Reid: I realize the geographic problems with the distances involved, but it seems to have got worse in the last little while and it may require some stepping up of the inspections and some charges being laid. Something has to be done because, as I say it was right in a rock cut and if somebody had hit that pulpwood stick with a Volkswagen, for instance, they would have gone right into the rock face. It blew the left front tire on the next biggest car to a Ford LTD, whatever the devil that is; I can't afford one.

Mr. Aiken: We'll bring it to the attention of the highway carrier people in the area. I suppose it might be appropriate, too, if you were to mention this to the Solicitor General (Mr. Clement).

Mr. Reid: Thank you.

Mr. Chairman: Before Mr. Ruston starts, I notice there was a lot of discussion last night on this. Could we get through with item 1, programme administration?

Mr. Ruston: I was going to talk on PCVs—transport board.

Hon. Mr. Rhodes: That will come under—

Mr. Ruston: We were on it last night.

Hon. Mr. Rhodes: On the board, are you? You are all right, then.

Mr. Ruston: Mr. Chairman, there have been some reports in the paper and discussion in previous years about the illegal leasing of trucks whereby they get around without having a PCV licence.

From what I have read in the newspapers on this item it has become quite a lucrative business for somebody. Apparently you can go to a leasing man and get a truck; then if you ask for a driver for it they will furnish a driver through another company. They seem to circumvent the PCV regulations. The enforcement of it, from what I can gather, comes under the registrar and I am wondering, Mr. Chairman and through you to your minister, whether this should come under the board. I would imagine they are much more qualified to handle such things because they are dealing with PCV licences and transport all the time. Wouldn't they be more qualified to prosecute or have hearings as to these areas that appear to be circumventing the PCV regulations?

It seems that a year or two ago some other members of the committee raised this. I think the minister said they were studying it and looking into it. But it would appear there hasn't been too much done.

I have some other items but I would like to get an idea as to what is being done at the present time, with regard to what we classify as illegal leasing.

Hon. Mr. Rhodes: You are talking about the method that is being used—the leasing of a commercial vehicle from a vehicle owner to ship goods. It could well be a device to move goods, for compensation, without having to get the necessary authority from the OHTB. You are suggesting it should be with the OHTB which is the licensing body. Those who are attempting to do things outside of the licensing area, which leasing is, do fall within the scope of the registrar's office.

There were amendments to the PCV Act in 1962, and in 1968 and again in 1973. The most recent one came into force on Jan. 31 of this year. It is a direct thrust toward the control and regulation of the movement of goods on the highways generally, rather than only for licensed carriers. It now does contain a strict definition of a valid lease.

It is a question of enforcement in many cases and it's not an easy chore. We have a lot of people out on the highways who are looking for these illegal operations—these invalid leases—and all the other methods that are used. I'm sure you are familiar with some of the circumstances we run into where people with no licences just go ahead and operate.

The fines that are imposed are not adequate to discourage these persons. If you total up the fines they pay, it's less than they would be paying if they bought a PCV licence. We have gone to the courts in an effort to get an injunction in some of these cases; so far we haven't

been successful—mind you, there are a couple of cases still before the courts—in preventing these people from operating.

Mr. Ruston: I understand this comes under section 27 of the Highway Traffic Act but do you not think it would be more appropriate to have it under the Public Commercial Vehicles Act in order to get the—

Hon. Mr. Rhodes: It is under the PCV Act—the invalid leases.

Mr. Ruston: The invalid leases. But the investigation is under section 27—

Hon. Mr. Rhodes: No. Mr. Aiken?

Mr. Aiken: The authority to investigate is under the Public Commercial Vehicles Act. There is authority to examine loads, to require the production of documents in the case of all commercial vehicles—not only those which are licensed—and to require the production, for examination, of books and records of persons suspected of contravening the Act.

Mr. Ruston: Does it then come under enforcement by the registrar?

Mr. Aiken: Under section 27, there is authority by which the registrar can suspend the vehicle registration for offences under the Public Commercial Vehicles Act. Should there be a record of convictions under the PCV Act, then the registrar could act, and has acted, pursuant to the authority of section 27 of the Highway Traffic Act. He has used this both against Ontario carriers who have been operating an unlicensed transportation service and against non-resident carriers who display licences issued in other jurisdictions. These have been turned back at the border. The roads of Ontario are closed to those operators, at the present time.

Hon. Mr. Rhodes: The last amendment to the PCV Act is the one I referred to. It came into effect Jan. 31 and provides for the authority to investigate, which was not previously available. Some activities have resulted in the suspension of vehicle registrations.

Mr. Haggerty: How many?

Hon. Mr. Rhodes: Oh, I don't know how many. As Mr. Aiken has said, there has been the closing of the border to illegal operators coming from outside the province and some unlicensed carriers have had to shut down their operations. An illegal operation is very difficult to detect, very difficult to control and difficult to prevent. There has to be a hard look at the legislation and perhaps a tightening up in some areas. We are not making much progress,

let us put it that way, in trying to overcome this illegal operation.

I have been advised that about 10 fleets of trucks have been pulled out of illegal operations.

Mr. Ruston: What is your income per year now for PCV licensing by itself?

Hon. Mr. Rhodes: 1975 so far, I guess, eh? For the year ending March, 1975, it was \$7,993,936.

Mr. Ruston: It was \$7 million?

Hon. Mr. Rhodes: It was down about \$450,000 from the year before.

Mr. Ruston: I recall not long ago looking over a Smith taxation committee report that came out in spring of 1967, if I remember correctly, I think you had a PCV income at that time of about \$11 million and, if I recall correctly, they had a cost of—

Hon. Mr. Rhodes: I am sorry, what year was that?

Mr. Ruston: I think it was 1967. The Smith taxation report—1966?

Hon. Mr. Rhodes: In 1967 the public commercial vehicle fees were \$4.4 million. The highest income, from 1966 through to the last figure I gave you, was in 1974, which was \$8,449,000.

Mr. Ruston: What charges, and what part of the inspection do you charge against this fund? I understand from some reports that at one time the PCV licence charge would more or less be to cover the inspection and enforcement of it. Maybe that wasn't the exact intent of it, because I think most governments put their money into one fund then pay whatever the charges are out of it, and it all goes to the treasury. But do you have any method of knowing what your cost of enforcement of PCV regulations as a whole is? A rough figure?

Hon. Mr. Rhodes: The cost of enforcement? I would be surprised if we can give that figure with any degree of accuracy because there are a variety of activities that could be classed as enforcement, from the inspection of the vehicles to the weighing of the vehicles as they go down the highway, to the police activity itself as it may involve trucks. So it really is very difficult to come up with an accurate total cost of enforcing because of these various activities.

Mr. Ruston: I must pull the Smith report out of my files because I read out a bid of

\$11 million in PCV fees, costing about \$2 million to enforce at that time. But that's an old report and I'm not familiar with it. I can't think offhand just how, but I remember reading it a couple of times about—

Hon. Mr. Rhodes: I don't know where this \$11 million figure came from.

Mr. Ruston: It came out of the Smith report and I'll have to look that up. I'm not sure.

Hon. Mr. Rhodes: I don't even know where Smith got it.

Mr. Ruston: Well, I'm sure he must have got it out of the government some place.

Hon. Mr. Rhodes: He must be doing some adding because even if he took two years, 1967 and 1968, they wouldn't reach \$11 million combined.

Mr. Ruston: That's probably immaterial right now. It was in the report, that's all. In other words, you don't have any way of tying the cost of enforcing the PCVs to the income from the licence? That was never your intention, is that right?

Mr. H. F. Gilbert (Deputy Minister): I think that recommendation of the Smith report was along those lines.

Mr. Ruston: It was?

Mr. Gilbert: I'll check, but it certainly is not—

Hon. Mr. Rhodes: I will give you a ball park figure that somebody came up with. They say about \$3.2 million, not including courts administration.

Mr. Ruston: I assume that's including the checking stations along all the highways and so forth, which wouldn't necessarily deal just with PCVs.

Hon. Mr. Rhodes: No, all trucks.

Mr. Ruston: A little while ago the member for Sudbury was discussing trucks going empty one way. I've discussed this with a couple of small trucking companies in my own area—people who keep 10 or 12 tractor units and a number of semis; not large operators, but they carry a C licence and so on. Some of them in my area haul cucumbers into Guelph, Hamilton, or any of these places where there is processing. They come down with a full load.

Now, maybe you could work out a system where these small carriers could call up another trucking company in the general area—apparently some have done it on a short-term basis—and ask them, "Have you got anything going

that I could take back?" You'd run on his licence and have a load back. Wouldn't this be a way of, maybe, cutting freight rates, at least keeping these companies viable and avoiding empty trucks running on the road? Maybe sometimes this other company would want to haul a load from that area down this way.

I can understand there would be some problems in keeping track of it and enforcing how it would operate but it seems to me that this is about the only way these small companies are going to be able to keep operating. Some of the large companies, like CPR and so forth, have just oodles of licences into all areas. They can carry loads to some place all the time.

I am wondering if this might help keep some of the smaller companies viable. I have a number of them in our own area that I can name. It just seems to me that maybe if they co-operated with one another you could figure some way of keeping these trucks from running empty on the highway. It certainly would save a lot of fuel and they could probably be more competitive with their rate system. Did you ever look into it that much or was it just on a very temporary basis?

Hon. Mr. Rhodes: Mr. Shoniker.

Mr. E. J. Shoniker (Chairman, Ontario Highway Transport Board): Yes, sir. Over the years the board has granted, in certain instances, interchange of licences. For example, in the area of southwestern Ontario where we have a fruit and vegetable crop we have arranged for a co-ordination of carriers. There are about 10 carriers there that are licensed equally both ways—on each other's licence. We feel it does help to move the produce in that area at a better rate and it does assure the use of a vehicle both ways, more or less. Our problem, of course, as you know, is that someone's back hall is always someone else's front hall, unfortunately. Nobody knows that better than you do, sir, with great respect.

In the north country, to stimulate interest there, we have licensed most of the carriers coming from southern Ontario. We have licensed them to carry steel out of Algoma to give them a return load. It has worked out fairly successful over the years. Generally we have tried to interchange licences but the big problem, of course, is that we must have two people prepared to co-operate. That makes it a little difficult. We have done it in many instances.

Mr. Ruston: Mr. Chairman, it seems to me that this sounds as if it could be worked out. I think Mr. Germa mentioned a study. Maybe what we need is a report from all your licensed

carriers that are running empty. With the computers and everything we have nowadays it shouldn't be too difficult to find out without a great big long committee set up and a report made two years later. It could be done very easily with a report from each company as to how many times they are running empty from point A to point B. It seems to me that would be one method.

We have it now, actually in the furniture removal business—and we see this every day. A furniture hauler will haul a load from Windsor to Ottawa, or some place. When he gets to Ottawa he calls up his agent there and asks if he has something going back towards Toronto or Windsor or some place. I used to see this when I worked in the customs, at the bridge, where trucks were coming through. They were agents, actually, of Allied Van Lines or something, if I remember correctly. They worked it. Now, I realize, that might be a little different situation but it seems to me—

Hon. Mr. Rhodes: That usually involves leaving the trailer. The tractor will come along, drop off the trailer, pick up another trailer and go back with a full load.

Mr. Ruston: Not moving furniture.

Mr. P. Taylor (Carleton East): Moving companies.

Mr. Ruston: Moving companies.

Hon. Mr. Rhodes: Certainly the large van line companies will drop off trailers, operating just exactly that way.

Mr. Ruston: They do. Some do. Often they will come in, unload, and then pick up another load going back to another city.

Hon. Mr. Rhodes: Usually another trailer.

Mr. Ruston: Not in the cases that I am aware of.

Mr. P. Taylor: Ottawa, Vancouver—three different households in the same truck.

Mr. Chairman: Are you finished, Mr. Ruston?

Mr. Ruston: No, I am not. I think we have to look at the reduction of these empty miles, or whatever you want to call them, in trucking. I think it has a lot of merit—maybe more so with the small companies because I can see that they could have severe problems.

Hon. Mr. Rhodes: As has been suggested by you, by going to the various companies and asking them to give us statistics on their empty hauls, I am sure we can find the number of

times they have to run back empty between the various points.

The one thing that concerns me about getting into that area—and I think it is a real concern—is who would you have left on the highways? Who would you have left operating as licensed carriers? It seems to me, and I stand to be corrected, that your small operator is going to get wiped out. You are going to end up with the big outfits the only ones left on the road.

Mr. Ruston: That's the way you are going to have it now when you see that the CPR has 40 C licences.

Hon. Mr. Rhodes: That isn't the way you have it now.

Mr. Ruston: It could be.

Hon. Mr. Rhodes: You could very well create that situation, I suggest, by what you are proposing.

Mr. R. Haggerty (Welland South): They could be putting that stuff on the railroads. They can ship them by railroad instead of on the roads.

Hon. Mr. Rhodes: If you want to put them off the highway—

Mr. Haggerty: Put them off the highway; put them on the railroads.

Hon. Mr. Rhodes: You are suggesting, Mr. Haggerty, that companies like Smith should be put off the highway?

Mr. Haggerty: I am talking about CP and CN.

Hon. Mr. Rhodes: That is Smith.

Mr. Haggerty: They deal with railroads, let them handle their stuff by railroads. I think that in the long run the Province of Ontario is subsidizing them well enough now in the construction of highway. We subsidize the railroads through the government federal resources department. They want it both ways.

Mr. Ruston: Do all companies that are licensed through the board have to submit a financial statement yearly to the board?

Mr. Shoniker: Yes, sir, they do; at the end of each current year.

Mr. Ruston: Have you ever thought that maybe any company which has in effect got a public licence should have its financial statement published? Has this ever been considered? I know it is done in the United States

but I realize that there they have regulations concerning rates.

Mr. B. Gilbertson (Algoma): No way.

Mr. Shoniker: They file with the board for the board's confidential use—and for the department's use, to make sure that the company operating is still in a lucrative position.

Mr. Ruston: Has there ever been any consideration given to whether these should be public?

Mr. Shoniker: No, there hasn't, as far as I know. Not unless there has been by the minister.

Mr. Ruston: I was looking at the annual report of the Highway Transport Board for the year ending Dec. 31, 1974, with regard to the regional municipalities and transportation. I am not going to read it here but the board is suggesting that the area of cartage licences and so forth be the responsibility of the local municipality.

Mr. Chairman: Before we go on—you are on licensing, I just want to—

Mr. Ruston: No, on the OHT Board.

Mr. Chairman: Are you? Oh, I am sorry.

Mr. Ruston: When I am finished with the board, Mr. Chairman, I will advise you and you can go on to whatever you want. I just want to get these things out while we are at it.

This has to do with cartage zones in cities and municipalities. I notice that the board's report recommends that licensing be restricted to the local municipality and not the region, because if you put it into a region it could proliferate the whole idea of a cartage zone.

What are your thoughts on that, Mr. Minister? I suppose this will be a policy that you as the minister and the government will have to decide on eventually—with the board, of course.

Hon. Mr. Rhodes: We have been carrying out a study on that sort of licensing process as it would affect the cartage operations within regions. Perhaps Mr. Summerley would like to comment on that because he has been working in that area too.

Mr. Summerley: The report is in its final draft stages and will be given to the minister very shortly.

Hon. Mr. Rhodes: I could have told him that.

Mr. Summerley: The series of consultants were retained to examine the question and to

view from all sides the regional municipalities, the carriers, the local cartage operators, what the various problems were with the present jurisdiction and the proposed jurisdiction of licensing. This is the topic of their report and it will be available shortly.

Mr. Ruston: Then I guess we'll have to wait for that. I think last night, when we were discussing rates, the chairman of the board mentioned what the thought was at the time, in 1962, when filing of rates with the board became necessary. There doesn't seem to be all that much opposition to setting rates, providing you have a power to appeal. If we had a rate control—and the manufacturers' association apparently was one of those that objected very strongly to this, if I remember from last night's discussions—and if industry had the power to appeal to the board when rates were too high, that that would be their protection. A trucking company, of course, being in competition, would also have the right to appeal and show proof that their rates were too low and they required a higher rate.

I don't think, Mr. Minister, that if you had a fair system set up, on a basis of where they both have the right to show cause as to why they're being charged too much or not charging enough, that the rate control structure is really a terrible thing. We hear different interpretations of what it should be, but maybe it isn't all that bad.

I think the member for—

Mr. P. J. Yakabuski (Renfrew South): I couldn't be here last night. I wish I had been.

Mr. Ruston: —Renfrew South is it?

Mr. Yakabuski: Yes.

Mr. Ruston: He's here, and I know he's interested in this matter. Others are too, of course. It isn't all that bad when you have that type of appeal allowed. The public then has an input into it, and has a little more confidence that the rates are fair.

Mr. Yakabuski: Mr. Chairman, may I ask what was resolved, insofar as that question is concerned, last night?

Mr. Chairman: I am like the member for Renfrew South, I was away. But perhaps someone could bring us up to date.

Mr. Yakabuski: I was meeting with ministry people in the great townships of Hagarty and Richards last night.

Mr. Stokes: Read Instant Hansard.

Hon. Mr. Rhodes: I think perhaps I'll let Mr. Shoniker comment on the question of rate control. I'm sure he's more familiar with it than I.

I'll tell you what I personally think. I think that the minute you get into rate control then, of course, you're doing away entirely with any type of competitive service. Rate control is very effective, and it's one of the things that you have a regulatory body for, in those instances where there is no competition. Certainly there is competition in the trucking world today. You talked earlier about the competition between the small trucker and the large operator. There is competition.

The filing of the rate does not bind that individual to his rate for any more than 30 days. There's nothing to prevent an individual from entering into a contract, or an agreement, with a major shipper to set a specific rate that he will haul for, file that rate with the board, and go ahead about his business. And it can be a lower rate if he wishes, depending on what sort of an arrangement he wants to make with the shipper.

If you're going to control rates, I suggest that you are going to have—My goodness, we've got controlled rates with Bell Canada now. I listen with a great deal of interest every time Bell goes in and says they need a raise. We all charge off to the hearing, spend great gobs of dollars opposing the increase, and they end up getting it anyway.

Mr. Haggerty: And they get it.

Mr. E. W. Martel (Sudbury East): That one is a monopoly situation.

Hon. Mr. Rhodes: I'm suggesting to you that's exactly right. I'm suggesting that, in a monopoly situation, you should have rate control and you should have someone—

Mr. Martel: Not the type that they've got. They're granted everything they ask for but the kitchen sink.

Mr. Ruston: Of course, on the other hand, if you—

Hon. Mr. Rhodes: I'm simply saying that in a monopoly situation, whether they are granted their increases or not, there is good cause to have the holder of the monopoly come forward and show cause as to why they should have a rate increase.

Mr. Ruston: I don't have to speak for Bell, although I was connected with the telephone system for a number of years, but if you look over the telephone rates for the last 10 years they are one of the lowest forms of inflation

we've had. Maybe their rates aren't all that high, but they're going up.

Mr. Martel: Don't apologize for them.

Mr. Ruston: I'm not apologizing. Hell, I'm speaking up for my own.

Mr. Yakabuski: The great free enterprise system, Elie.

Mr. Ruston: In a sense we were in the local telephone system, but that's not transport.

Mr. Martel: Monopoly, you call that free enterprise?

Mr. Chairman: Order, please. Mr. Ruston, anything further?

Mr. Ruston: I think that covers all I have right now, Mr. Chairman.

Mr. Chairman: Fine.

Mr. Yakabuski: Mr. Chairman, would it be permissible to speak in a supplementary fashion with regard to the transport board?

Mr. Haggerty: No. You have to wait for your turn. Get your name on the list.

Mr. Chairman: Mr. Haggerty is next on the list.

Mr. Haggerty: Get the transport board cleared.

Mr. Chairman: I notice Mr. Haggerty spoke last night, but are we in agreement?

An hon. member: He spoke well, too.

Mr. Haggerty: Yes, I might want to speak well this afternoon, too. I think you have to wait the same as anybody else. If you want to be on here, you have to be here. I could be upstairs in the House but I think it's more important to be here. How long are you going to be, Paul?

Mr. Yakabuski: Oh, you are a good fellow.

Mr. Haggerty: Wait a minute.

Mr. Ruston: He is long-winded sometimes.

Mr. Yakabuski: Mr. Chairman, I've heard with interest the minister remark that as he and perhaps some of his people see it, it isn't the best situation to have controlled rates. I have to disagree with him and first ask a question. I believe at one time in this province there was some control over the rates, was there not?

Mr. Shoniker: Not in the Province of Ontario, sir.

Mr. Yakabuski: What was the change made back in the early Sixties?

Mr. Shoniker: Rate filing came into existence in 1962, sir.

Mr. Yakabuski: But prior to that there was nothing?

Mr. Shoniker: Not to my knowledge.

Mr. Yakabuski: I guess the rate filing is what I was thinking of. But I have to disagree because I think that there are times and there are times. Under normal conditions I would not advocate rate control at all. But what we have seen happen in the past six, seven, eight years—ever since the 30 per cent raise to the Seaway people when we got into the inflationary spiral back in 1966—is that the situation has changed.

Mr. Haggerty: It was a three-year contract though.

Mr. Yakabuski: When you are in that kind of inflationary spiral, I think there is great need for rate control at this time. Companies are like people, they take the easy way out. Mind you, I don't think there is any incentive to practise economies in the trucking industry when you just have to file rates. But if you have to go before a board and prove to that board that you need these increases, I think it's much different. I think they are inclined to go back to their respective companies and work in every way possible to run a more efficient operation. I don't think they've been doing that because they don't have to do that.

Mr. Haggerty: It's a good point, Paul.

Mr. Yakabuski: Perhaps five years from now you may have rate control in effect and I might advocate that you remove it; that would be because the times and conditions didn't warrant it. But I think under today's times and conditions it's very much warranted and I would hope that you, Mr. Minister, would take steps to move into that area as quickly as possible. I'm a free enterpriser all the way, but not right now under—

Mr. Martel: You just pick your spots.

Mr. Yakabuski: You have got to have a little mix—the right kind of mix at the right time.

Mr. Martel: You free-enterprising Tories have that capacity, wherever you feel like it, to move in on industry whenever you want. You moved in on the pulp and paper industry in order to play the game.

Mr. Chairman: Order.

Mr. Stokes: That's democratic socialism, the happy blending of the two.

Mr. Martel: You take away the private insurance companies' compensation, bankrupt them.

Mr. Chairman: Mr. Haggerty.

Mr. Haggerty: Surely the minister is going to reply to the member. He made a valid point.

Hon. Mr. Rhodes: I didn't think it was a question. I thought it was a statement on behalf of the member—

Mr. Haggerty: I think he was asking you what your comments were.

Hon. Mr. Rhodes: —on behalf of the PC Party.

Mr. Yakabuski: Didn't I say, are you taking steps to . . . ?

An hon. member: That's right.

Mr. Haggerty: We have an answer now.

Mr. Germa: No steps.

Hon. Mr. Rhodes: If you want me to comment on it, I can spend the next hour commenting—

Mr. Martel: Go ahead.

Hon. Mr. Rhodes: —on the situation and end up in Hansard with as many pages as my friend from Sudbury East—

Mr. Haggerty: And say nothing.

Hon. Mr. Rhodes: —and not have any real content in the comments at all.

Mr. Martel: That's the difference between you and me.

Hon. Mr. Rhodes: Exactly the same as the member for Sudbury East.

Mr. Martel: No, that's the difference between you and me.

Mr. Chairman: Order, please.

Hon. Mr. Rhodes: The situation is simply that I feel rate control in that particular area is not the answer at this stage. I don't think it is an answer. Perhaps it is going to come. Perhaps there will be a time when we need it but I am not convinced that this is the time. So we have a difference of opinion.

Mr. Haggerty: It's a good valid point and I know it's working very successfully in certain industries in the United States. They have had

to be accountable for any rate increases in whatever product it may be. In many instances the company went back into its own environment, made drastic changes in technology and came out with a larger profit in the long run without increasing, let's say, the consumer price. It hasn't increased the consumer price at all. He raised a good point and I kind of support him on it.

Hon. Mr. Rhodes: Perhaps I could say this: I don't believe in rate control per se. I don't think the government or any agency of the government should be setting the rates in this area where there is a degree of competition. I think there is a lot of merit, though, if the shipper or whoever feels the rate is exorbitant or unfair, in having a tribunal—be it the present board or an adjunct of that board—hear the complaint and rule whether or not the rate charge is out of line.

Under the filing system I quite readily admit—and I don't want to accuse anyone of anything so dastardly as forming a combine—there is nothing in the world to prevent a group of truckers from getting together, determining what their rate is going to be, filing that rate and that is it.

Mr. Haggerty: No doubt about it. They get together now.

Hon. Mr. Rhodes: I am saying that in that case maybe there is good reason to have a tribunal of some kind so someone who feels the rates have been exorbitant can file with the board a request for these rates to be looked at and show cause as to why there is a high rate—but not to the point of actually setting rates. I think you are getting—they tried that situation in Saskatchewan. Along came the inflationary spiral and they just about had the trucking industry completely out of business; it pretty near destroyed it.

Mr. Martel: That was under Thatcher.

Mr. Yakabuski: We are not talking about setting rates.

Hon. Mr. Rhodes: No.

Mr. Yakabuski: I am talking about studying them. We are talking about having them justified.

Mr. Haggerty: Justified and accountable.

Mr. Yakabuski: And to prove to that board they require these extra—

Hon. Mr. Rhodes: Well, a rose by any other name. That's exactly what you do in the case of—take Bell Canada as an example, Bell came along and files what it feels its rates should be.

It goes before a hearing, a very lengthy hearing, proving why it should have that increase and then that rate is set.

Mr. Haggerty: Yes, but the public has an input in it.

Mr. Martel: No.

Hon. Mr. Rhodes: I beg your pardon?

Mr. Haggerty: The public certainly does have an input in it.

Mr. Martel: What input?

Mr. Yakabuski: Well, that hearing—

Interjections by hon. members.

Mr. Chairman: Order, please. Would you direct your questions one at a time? Hansard finds it very difficult, I know, to pick these up.

Hon. Mr. Rhodes: The only input you can have at a hearing—

Mr. Martel: High-priced lawyers.

Hon. Mr. Rhodes: —of that magnitude is if you have the capability of getting very competent lawyers. That is one of the reasons the Province of Ontario and the Province of Quebec intervene in those types of hearings because, frankly, we have the resources to go ahead and intervene. Even the Consumers' Association of Canada found its financial wherewithal wouldn't give it the strength to go in and really carry on, because they are very lengthy hearings.

I am not suggesting you are going to have that kind of a hearing to investigate one or two what may be exorbitant rates. The minute you get into total rate control—call it what you will; once you set the rate you control it—you are going to get into hearings. You are going to end up with a battery of lawyers representing both sides and he who has the best wherewithal will have the best ammunition at that particular hearing. You and I, as individuals, trying to go in and compete in that league are—

Mr. Haggerty: Aren't you concerned that there could possibly be a monopoly in the trucking industry with certain firms taking over? For example, I notice Philips Transport which is located in Dunnville, is owned and operated by Laidlaw Transport. How many more of these smaller companies are being taken over by perhaps larger companies?

Hon. Mr. Rhodes: That can be controlled through the licensing project under the transport board. It's a question of whether they have their licences or not. Any sale of a com-

pany has to come before the board for approval of the transfer of those licences.

Mr. Haggerty: Yes, but I suppose under the PCV licensing that goes on here, if one particular trucking firm can't pick up, say, within the Niagara region, then they will say: "One way to get the business in there is to go in and buy him out."

Hon. Mr. Rhodes: But if you go in to buy the company out—

Mr. Haggerty: Sure, you could buy the company out. The end result would be a monopoly. You talk about control pricing and rate structure, then it will surely take place—without being accountable to the public.

Hon. Mr. Rhodes: The control over that very problem does lie within the competence of the board to prevent that from happening by not allowing the transfer of the licences. If somebody wants to buy company B, they can refuse the transfer of the licence—so you can stop them.

Mr. Haggerty: For example, let's use Laidlaw Transport. How many smaller companies have they purchased in the last three or four years?

Mr. Shoniker: May I answer that?

Hon. Mr. Rhodes: Yes.

Mr. Shoniker: They have purchased approximately 10 in the last five years.

Mr. Haggerty: Five years.

Mr. Shoniker: But, with great respect, they did apply for an international licence. The international licence was granted. They did not join the Niagara tariff bureau and it is purported, generally, that they're charging a lower rate between Canada and United States than any other international carrier.

Mr. Haggerty: Yes, this is what I understand.

Hon. Mr. Rhodes: In fact, I had complaints brought to my attention that they were charging lower rates.

Mr. Haggerty: But once they get in, in the next five years they may buy out 10 more small trucking companies, and in a five-year period, you know, they'll certainly have a monopoly.

I want to go back to the minister's comments where he mentioned the CPR being in the trucking business. You look at the flatcars running empty back and forth from one municipality to another. Surely they should be able

to put more of those piggyback trucks on rails and get them off the roads.

You mentioned Smith Transport. You said you wanted Smith off the road. What does Smith have to do with it?

Hon. Mr. Rhodes: I didn't say I wanted him off; you said you wanted him off.

Mr. Haggerty: Yes, but you said Smith. You said I wanted Smith off. I don't know who Smith is.

Hon. Mr. Rhodes: You said the CPR, and that's Smith Transport.

Mr. Haggerty: That's Smith, is it? There's another monopoly, isn't it?

Mr. Yakabuski: CN, TPT.

Mr. Haggerty: Sure, you're going to have three or four of them. In time, Mr. Yakabuski is going to be right in the question he raised this afternoon, that's for sure. Very shortly that they'll have complete control of the rate structure in the Province of Ontario.

Hon. Mr. Rhodes: Let me tell you that you're also getting into another area. That which travels by the railroad has to get from that railroad to somewhere. And do you know what they put them on? Trucks.

Mr. Haggerty: Yes, but the local municipality can pick them up.

Hon. Mr. Rhodes: They put them on trucks and you can't handle those goods three or four times for nothing.

Mr. Haggerty: They handle it daily.

Hon. Mr. Rhodes: It's taken off a truck, put on to a railroad car, taken off the railroad car and put back onto another truck.

Mr. Haggerty: I'm telling you one thing, if the mail was back on the trains today we wouldn't have the problem that we're got.

Hon. Mr. Rhodes: Mail! You're going to blame the railroads for the screwup in the mail system in this country, are you?

Mr. Haggerty: No, but what I'm saying is that it should be back on the trains.

Mr. Shoniker: We don't handle that in Transportation and Communications.

Mr. Haggerty: No, but what I'm suggesting is that there would be a monopoly by certain trucking firms in the Province of Ontario if it ended up with one, two or three firms. They would be able to tell the government what to do, the same as Bell Telephone does.

Hon. Mr. Rhodes: Mr. Haggerty, the Ontario Highway Transport Board has been operating for 20 years. Since 1962, they have been operating under the present rate filing structure, and with the greatest of respect, sir, there is no monopoly in this province. You're conjuring up a spectre that just isn't there.

Mr. Haggerty: I didn't say now. I said you give it five years, and there will be.

Hon. Mr. Rhodes: Oh, hell, five years from now there may not be any more trucks.

Mr. Haggerty: No, Laidlaw will have all the smaller ones bought up. Sure they will; you can see it coming.

We were talking about CPR and CN. You talk about free enterprise—they're two of the most highly-subsidized companies going, both of them are.

Hon. Mr. Rhodes: Not by this government.

Mr. Haggerty: Not by this government, but they can be in a position to apply pressure to other trucking firms when it comes to the rate structure; so I would watch this very closely.

The other point I want to raise deals with the Provincial Auditor's report here for 1974. It is estimated that unpaid fines imposed by the provincial courts—through the Attorney General, I guess it is—amounted to over \$14.5 million. It goes on to say:

Since fines imposed under the Highway Traffic Act, the Public Vehicles Act, and the Public Commercial Vehicles Act were estimated to be approximately 45 per cent of the total value of unpaid fines, it was felt that efforts should be concentrated, at first, on the collections of outstanding amounts related to these Acts. Accordingly, the Highway Traffic Act, RSO 1970, was amended by the Highway Traffic Amendment Act, 1972, which states in part,

(2) where a justice is satisfied that a person is in default of payment of all or any part of a fine imposed upon conviction for an offence against the Highway Traffic Act or the regulations made under any of them, he may, in addition to any other order which may have been under the Summary Convictions Act, issue an order to the registrar directing the suspension of the driver's licence of such person and the registrar shall suspend the licence."

Does this apply to the vehicle itself, say you're dealing with a commercial vehicle?

Hon. Mr. Rhodes: It applies to the driver.

Mr. Haggerty: Just to the driver?

Hon. Mr. Rhodes: If he was convicted and doesn't pay his fine.

Mr. Haggerty: Just the driver then. In other words, the truck can continue on the road, year after year, until the fine is paid, is that it?

Hon. Mr. Rhodes: It's the driver who commits the offence.

Mr. Haggerty: What efforts is your ministry making?

Hon. Mr. Rhodes: It's very difficult. A truck can't commit an offence without a driver.

Mr. Haggerty: What efforts are being made to obtain the \$7 million in fines that have not been paid in the Province of Ontario? How many licences have been suspended under these regulations?

Hon. Mr. Rhodes: You're away off the vote now, Ray. You're into an entirely new area.

Mr. Haggerty: No, I'm dealing with licensing.

Hon. Mr. Rhodes: You're not dealing with that. Licences is the next one. Are we on the next item, item 2?

Mr. Chairman: I think there are two more speakers. Then, I think perhaps we'll take a vote on this 2303.

Hon. Mr. Rhodes: No, not the whole vote. We're just doing item 1.

Mr. Chairman: Are we? Well, okay.

Hon. Mr. Rhodes: One item at a time, Mr. Chairman. We agreed on that last night.

Mr. Chairman: Could I ask Mr. Gilbertson and Mr. Deacon, are any of your questions related to item 1?

Mr. D. M. Deacon (York Centre): Highway safety.

Mr. Gilbertson: Mr. Chairman, I said that last night.

Mr. Chairman: Are you on item 1?

Mr. Gilbertson: We ran out of time last night. I wanted to get a little input with regard to the mopeds.

Hon. Mr. Rhodes: You're in the wrong vote. It's under licences, the next item.

Mr. Gilbertson: Oh, the next item, yes.

Mr. Chairman: Mr. Deacon, under item 1.

Mr. Deacon: In the redesign of Highway 11 near Huntsville, there is some concern on the

part of citizens, about a stretch between, I think, the Ravenscliff road and another road, where, due to the bridge over the river or the railway tracks, I forget which, there's a stretch of the road where you're very close to an important intersection. With the widening of the highway into four lanes, it will be very difficult for any vehicle trying to get across Highway 11 to get across in the time a car can appear over the brow of the overpass, and not be in a position to stop. There's been a protest by citizens about the designing of that widened highway.

I was wondering if you have any rules on the design of highways to do with the providing of a clear view and the ability to stop. They want an overpass built at that particular intersection. I don't know if it would be important to have warning lights, or stop lights, or something. It seems to me their point is well taken. If a car's stopping distance when it comes to the brow of the hill is greater than the time it takes for a vehicle, a school bus, say, crossing that highway to get across from a standing start, we'd be in for some serious accidents.

Mr. Chairman: Mr. Deacon, I understand that's under the next vote.

Mr. Deacon: Under design? I thought it had to do with design for safety.

Hon. Mr. Rhodes: Design is under 2304.

Mr. Deacon: Fine.

Mr. Chairman: I think Mr. Germa has one question under item 1.

Mr. Germa: Under item 1. It was brought to my attention by various truckers that there is a problem, as they see it, with jumbo sized tires on front axles. If you have a 7 in. tire, your front axle can carry a certain weight. If you put an 8 in. tire on the axle, the capacity can go up, even though the axle doesn't change. You get up to an 11 in. tire, and you double the front axle capacity. Taking into consideration that that truck was built at a certain safety factor for a 7 in. tire and the brakes are still the same, I cannot see that we are not forfeiting the safety factor by allowing the front axle weight capacity to increase so tremendously just because a person happens to put on an 11 in. tire in place of a 7 in. tire. I've seen the chart—I don't have it with me—which details how one can increase the front-end loading, but the truck is still the same even after putting on these big tires.

Mr. Aiken: In those cases where the operator attempts to carry a heavier load and to do so—under the bridge formula under the Highway

Traffic Act as it deals with the weight limitations—simply puts a large tire on an existing axle then he may very well be in danger of operating an unsafe vehicle. He may be exceeding the manufacturer's rated capacity for the particular axle. He's going to jeopardize his warranty contract with the manufacturer as well as put himself and other users of the highway into some danger.

Fortunately, the incidence of accidents as a result of this activity has been low. I haven't a number for you today, but our concern is such that we are looking at that to establish whether or not it would not be practical, feasible or advisable to establish some kind of standards for axles in relation to the loads that the vehicles are going to carry. The manufacturers would support that because, of course, it would be in keeping with the design of the vehicle and the load capacity that's built into those designs.

Mr. Germa: Your present regulations make no reference to the axle or the braking abilities. Your regulations only refer to the size of the tire in order to determine the front axle weight.

Mr. Aiken: That's right, they are quite separate. One section deals with the tire size, and the concern there is for protection of pavement; another section deals with the capacity of a particular vehicle to carry a particular load over the highway. There is a need to bring these things all together.

Mr. Germa: I'm glad you recognize that. That's all I have on safety, Mr. Chairman.

Mr. Chairman: Vote 2303. Item 1 agreed to?

Hon. Mr. Rhodes: Mr. Chairman, before we go to item 2, I have a gentleman here from the Ontario Northland Transportation Commission down from North Bay, and if the committee would agree to deal with those items within the estimates that relate to the Ontario Northland, I would ask your indulgence to have him come forward and to answer questions in connection with that. We have two votes in which the ONTC matters appear—2305 and 2306.

Mr. Ruston: Could we deal with them this evening, Mr. Chairman, at 8 o'clock, let's say?

Hon. Mr. Rhodes: That's fine with me. If the committee would agree that we could start at 8 o'clock this evening, when we return after dinner, and deal with those matters, then that's fine.

Mr. Ruston: Fine with me.

Hon. Mr. Rhodes: Fine, at 8 o'clock tonight then.

Mr. Chairman: Vote 2303, item 2. Mr. Gilbertson had a question on that, and then Mr. Deacon.

Mr. Gilbertson: Mr. Minister, I would like to ask a question in regard to the mopeds: Has a lot of flak come in, and is that the reason you are going to consider changing the legislation on mopeds? And are you going to raise the age limit to 16 rather than 14?

Hon. Mr. Rhodes: I dealt with this last night at quite some length, so I'll be relatively brief today. Yes, there has been considerable concern expressed about the present moped legislation, and among the things that we are looking at is the raising of the age limit up to 16, along with other proposed amendments to the Act that would bring more safety factors into the operation of the moped.

But I make it very clear that it is not the intention of the ministry to bring in the type of legislation that would ban the moped from use as it is now; certainly it will not permit them any greater scope, but it will not ban them. It is intended to bring in certain features that will make the moped a more acceptable form of vehicle on the road today and with some responsibility on the owner and the operator.

Mr. Gilbertson: I was thinking of vacation areas, cottage developments and so on, away from the city, where it is a great thing for 12- and 14-year olds to be able to go around on a moped on the gravel roads and so on. I had correspondence from a father, who clipped out an article on a statement you had made and sent it with his letter. I thought the letter was so good I made it a point to send a copy of it to you, Mr. Minister. I was hoping that we won't take any drastic steps, in regard to changing regulations, without putting a lot of consideration into it. I hope we won't just do it on the spur of the moment without—

Hon. Mr. Rhodes: That was the problem the last time. That's what happened with the legislation we now have. There wasn't enough consideration given to it or it wouldn't be on the books today.

As far as I am concerned, a highway is a highway, whether it is a highway in a cottage area with gravel on it or whether it's a highway with pavement on it. We are not promoting the use of these things on highways, but on streets and what have you. I hope there is no one 12 years old riding them, because that is against the law, but a 14-year old riding one on gravel, I would suggest, is in a lot more jeopardy than if he was riding on pavement, frankly, because of control.

No, we haven't considered making any exceptions to specific areas. We do feel there is a real requirement to raise that age to 16 and to require other responsibility on the part of the operator and the owner.

Mr. Gilbertson: I'm just hoping we'll really have a good look at this and handle it very carefully so that we don't do something we'll be sorry about.

Hon. Mr. Rhodes: In my humble opinion, I've already done something I'm sorry for.

Mr. Gilbertson: That is all I have to say on that.

Mr. Chairman: Mr. Deacon, I understand yours was on the next vote, wasn't it?

Mr. Deacon: Yes, it was, and, insofar as licensing is concerned, I was wondering what is being done to tighten up the testing of existing drivers.

There has been much evidence that some of us who have, for one reason or another, had to go through testing again because of forgetting to renew our driver's licence, have indeed learned a lot in the process of going through that experience. I was wondering if there is a programme for inspection of drivers.

Also, on the matter of vehicles, how are we finding the results of the inspection programme that the province recently introduced to check vehicles? Are we going to try to get in the same sort of system as they have in Prince Edward Island, and other places, where you have to have a sticker on your car to show it has been inspected?

Hon. Mr. Rhodes: No, we haven't gone so far as to require the mandatory inspection of automobiles or vehicles. I know it is being done in some smaller jurisdictions. I am sure you can appreciate that the inspection of vehicles on Prince Edward Island would be a lot easier chore than attempting to inspect the 4 million-and-some-odd vehicles in the Province of Ontario.

Mr. Deacon: It is done there by ordinary garages which are licensed to do this, just as you are licensing people to do it here. The job is actually no greater. It's just a matter of having more and more of these inspection stations and people qualified and approved for the job.

I was quite impressed as I watched, on one or two occasions, vehicles being inspected at a local garage in Prince Edward Island. They sure did check those vehicles in way I wish some of ours were checked.

Hon. Mr. Rhodes: I would hope you might be able to find that type of programme. You know, one of the reasons we changed our procedures for the inspection of used vehicles prior to sale—and we had to go and designate specific people to do it—was because of the abuses.

Mr. Deacon: That is right, there had been.

Hon. Mr. Rhodes: That may be a programme we can look at. Mr. Aiken, would you like to comment on that?

Mr. Aiken: May I ask you a question? Are you talking about what I think is commonly referred to as PMVI, that is, the periodic inspection of all the motor vehicles in a jurisdiction?

Hon. Mr. Rhodes: Yes, right.

Mr. Aiken: That's a course that is followed by some jurisdictions. However, I think it is important to recognize that here in Ontario we have a compulsory inspection programme but it's selective. It rejects the theory that you should look at all the vehicles in order to get at the few that are actually defective.

By the best studies available, some six per cent of the accident-involved vehicles are so involved because of a safety-related defect. Our own figures produced by the Ontario Provincial Police in Ontario indicate that there are about three per cent directly involved. There is an indirect involvement that's very hard to measure or recognize. There we're talking about a very small number of vehicles.

The question is, do you want to look at three million vehicles in order to identify perhaps 9,000? Even then the point at which you make the examination is going to tell you something about that vehicle on that day, but there is no guarantee it's not going to be further degraded or abused in the subsequent days. The Ontario system depends largely on the appointed station programme, something similar to the one you saw in Prince Edward Island, although if you go into one of the stations in Ontario, you will find it's a much more stringent inspection. It requires all the wheels to be removed.

In any given year, the stations here will inspect about 930,000 or 940,000 vehicles in a very stringent system. That's about 30 per cent of the registered motor vehicles. That's supported further by a spotcheck programme which involves the local police as well as ministry employees. In addition to that, you have the commercial motor vehicle inspection which directs itself to the large, heavy, articulated vehicle that gives some evidence of being

suspect in some manner. Then we have our school bus inspection which results in another 20,000 inspections there. That occurs twice a year, in the late summer and again at the beginning of the new year.

The end result is that some of the data with respect to accident involvement, fatalities, and so on is rather better here in Ontario than they are in other jurisdictions, even where they use PMVI. Some of the very large jurisdictions reject PMVI because it is costly, because it is wasteful of resources and because it requires the inspection of all the vehicles to identify the few. States like Michigan and California are not satisfied that it's cost effective.

Mr. Deacon: That's not what I want to know. I'm interested to know the statistics.

Mr. Chairman: Mr. Deacon, in all fairness I think you're on the third item. I wish we would not jump around and that we would stick to the vote. If you would just take a glance down—

Mr. Deacon: I'm sorry, I thought it was to do with licensing. Is this not to do with testing of drivers as well?

Hon. Mr. Rhodes: Yes.

Mr. Deacon: I asked the question about that matter.

Hon. Mr. Rhodes: That is item 3.

Mr. Chairman: Item 3 of this vote. Mr. Haggerty has gone. Mr. Ruston, did you want to speak on this?

Mr. Ruston: You say licensing. Everybody calls it licensing or permits. I was assuming we're talking about drivers' licences but maybe we're not. I am speaking about drivers' licences. Are we not on that right here?

Hon. Mr. Rhodes: The examination, inspection and enforcement part comes in under item 3. The question of licensing and controls over motor vehicle drivers according to qualification and physical ability—

Mr. Deacon: Is that also item 3? That was the first question that I had.

Mr. Ruston: I think you are as much confused as I am. I don't know.

Hon. Mr. Rhodes: I am not confused.

Mr. Chairman: Just a second, please. So we all know, perhaps the minister could tell us what does come under the programme in item 2 and then we'll stick to the vote. You just mentioned certain things.

Hon. Mr. Rhodes: It licences and controls all motor vehicle drivers according to qualification and physical ability, processes the registration of all motor vehicles, issues public vehicle and public commercial vehicle operating licences in accordance with the requirements of legislation.

Mr. Ruston: That should have to do with issuing of drivers' licences.

Mr. Deacon: That's what I was asking about.

Hon. Mr. Rhodes: This item has nothing to do with issuing.

Mr. Ruston: Your standards of drivers' licences—

Hon. Mr. Rhodes: This item deals with the licensing process. The driver examination process comes under item 3.

Mr. Ruston: I think we'd better take these two together. This is very confusing.

Mr. Chairman: Is your question under item 2?

Hon. Mr. Rhodes: He doesn't know.

Mr. Ruston: I don't know. You don't know either.

Hon. Mr. Rhodes: Ask it.

Mr. Ruston: What I'm interested in are the statements as to what your new qualifications are going to be for transport drivers, semi drivers and bus drivers. How many forms of licensing do you intend to have for drivers under the new plan you announced in the last while?

Hon. Mr. Rhodes: This is under driver classification?

Mr. Ruston: Driver classification, right.

Hon. Mr. Rhodes: Would one of you learned gentlemen like to bring him up to date on that?

Mr. Ruston: I have an idea how many I think there should be. I'm interested to see how many you people are proposing.

Hon. Mr. Rhodes: He just may pick up a couple of bucks.

Mr. Ruston: I read an editorial in one of the papers, I think it was the Windsor paper, where they said they understood there was going to be 80 classifications. They said: "Can you imagine getting a licence renewed when there are 80 classifications you have to choose from?"

Hon. Mr. Rhodes: I would have to say that the Windsor Star in that particular case is running true to form and is away off base.

Mr. Ruston: They are most of the time, I will grant you that—they're a local paper—but I think they might have something there.

Mr. Chairman: I think we have an answer.

Mr. A. M. Gartshore (Executive Director, Licensing and Control Division): There are nine, not 80.

Hon. Mr. Rhodes: For the present time—we may aim for the 80 that the Windsor Star wants.

Mr. Ruston: No, they don't—and we don't either. I might say, Mr. Minister. I had seven down here, but I'm interested in hearing what the nine are.

Hon. Mr. Rhodes: Please go ahead, Mr. Gartshore.

Mr. Gartshore: First of all, to dispose of one right off the bat, one of them is the learner's licence, the instruction permit, so that leaves eight.

Hon. Mr. Rhodes: Are you up to eight now?

Mr. Ruston: I'm up to eight now.

Mr. Gartshore: Now then, the first class, class A, is for all motor vehicles except motorcycles and buses. This will include the tractor-trailer, the big vehicle with a trailer and so on. That's class A.

Mr. Ruston: Class A, eh?

Mr. Gartshore: Class B is the straight truck of any size or a bus or a school bus.

Mr. Ruston: Highway buses and school buses are in the same class?

Mr. Gartshore: And big trucks. Class A is all trucks, however big they are—tractor-trailers, the whole works.

Mr. Ruston: All right.

Mr. Gartshore: I'm going from the top down, from the best class downwards.

Class C is the same as class B, only it doesn't allow school buses; that is, straight trucks and ordinary buses.

Class D is the straight truck only, and I may say that all these straight trucks are allowed to pull behind them a small trailer of less than 10,000 lb. to allow for these things that are pulled behind dump trucks.

Class E, F and G all deal with the smaller vehicles of under 18,000 lb. or, in the case of a bus, under 24 seats.

Class E is really the small school bus licence; that is, for the school bus of less than 24 seats, but it also allows you to drive any smaller vehicle.

Class F is for the smaller vehicles again and includes the small bus—not a school bus but an ordinary bus up to 24 seats.

Class G is the ordinary car licence. It allows you to drive a car, a station wagon, a pickup truck or any truck up to 18,000 lb., which is about the size of the vehicle you rent from Hertz to move your furniture from one place to another or to move to your cottage.

All those classes I've mentioned exclude motorcycles. Motorcycles have a different driving technique and they have a separate class of licence of their own called class M, and that is the ninth one.

Mr. Ruston: All right. Now under 18—

Hon. Mr. Rhodes: I want to make one point on this and I stand to be corrected because we are just into the throes of this thing. If a person qualifies for the top licence, which is the A, that permits him to drive all the other vehicles below with perhaps one or two exceptions.

Mr. Gartshore: That's right. With the exception of motorcycles and buses.

Hon. Mr. Rhodes: The class A would license him to drive all vehicles with those exceptions.

Mr. Gartshore: Each one, in effect, goes down and includes the one below, with these exceptions.

Mr. Ruston: Under 18,000 lb. and a school bus of less than 24 seats takes a Class E?

Mr. Gartshore: Yes.

Mr. Ruston: A class F is a small vehicle; didn't you say under 24 seats?

Mr. Gartshore: Class F is a small truck or a car or anything smaller and a bus to 24 seats.

Mr. Ruston: What's this—

Mr. Gartshore: But not a school bus.

Mr. Ruston: The class E is a school bus up to 24 seats.

Mr. Gartshore: Yes, the class E—

Mr. Ruston: The class F is a bus not a school bus?

Mr. Gartshore: If you put it this way, class E is class F plus the small school bus. If you have the small school bus, of course, you can obviously drive a small ordinary bus.

Hon. Mr. Rhodes: But not the other way around.

Mr. Gartshore: Not the other way around.

Mr. Ruston: Class C—

Mr. Chairman: Are you—

Mr. Ruston: I'm just trying to figure these out. Highway bus, straight truck and a school bus are all B. Class C is a truck but not a bus—a highway bus but not a school bus.

Mr. Gartshore: That's correct. Class B is class C plus school buses, if you want to put it that way. It's perhaps the easiest way to put it.

Hon. Mr. Rhodes: I wonder if it would be of assistance to you if we could get some copies of that and give it to you. It will give you a chance to look at it. If you did have questions, you could ask them.

Mr. Gartshore: These are very crude, I may say; they're not the final form. They're just drawings that we drew for our own use while we were discussing this.

Mr. Ruston: To give you an idea of what I had in mind, I had a motorcycle, automobile, school bus, straight truck, semi and pup trailers, which would include everything; of course, I had a highway bus. You've combined some of these, which is understandable. If you have the higher grade of course you can automatically drive the one below it, can't you? I'll peruse this for the time being. That's all I have right now, I guess.

Mr. Chairman: Mr. Germa has a question.

Mr. Germa: Could I ask about the phenomenal increase from \$6.8 million last year to \$11.3 million this year? I think that has to be accounted for. There's \$4,463,650 extra in here.

Hon. Mr. Rhodes: That is as a result of the data processing costs, the cost of work performed by the electronic computing branch for the activity under drivers' licences, driver control and vehicle files. That accounts for \$3,279,000.

Mr. Germa: That's computer time, is it? Is that what you're saying?

Hon. Mr. Rhodes: Yes, the costs there plus the—mind you, this has been moved to this section; it wasn't there before. This is the new

computerizing of all the files for drivers' licences and licensing vehicles.

Mr. Germa: Where were they before?

Hon. Mr. Rhodes: They weren't in the programme.

Mr. Germa: Is this a new programme?

Mr. Gilbert: Yes, it's a new programme plus the fact that any data processing charges are charged back to the particular programme. In other words, everything in data processing goes back. It isn't included in overhead; it goes back to the particular programme involved.

Mr. Germa: It's not a new programme; it's just a new way of charging back.

Mr. Gilbert: There are charges which are new this year.

Mr. Germa: What are the new charges?

Mr. Gilbert: The vehicle files.

Hon. Mr. Rhodes: Yes, \$1.8 million for the new automated vehicle system and \$1.3 million for the operation of the automated driver system.

Mr. Germa: Is that reflected in the further breakdown? Services are doubled to \$3.7 million?

Hon. Mr. Rhodes: Yes, that is in the services; that is part of it.

Mr. Germa: That is where that comes in?

Hon. Mr. Rhodes: Yes, the \$3.7 million. I mentioned \$3.2 million and then another \$400,000 is involved, including personnel services, temporary help, staff development training, licence suspension, appeal board, and a medical advisory committee, and others are added in.

Mr. Germa: I see supplies and equipment are double this year, too.

Hon. Mr. Rhodes: Part of that cost is the increase in the demand for replacement and duplicate licence plates, as you can appreciate, with the five-year situation we have had a greater demand for replacement. Plus the new legislation for snowmobiles which requires us to provide additional stickers.

Mr. Germa: Regarding licensing I had a case that I contacted the ministry about. I don't think I got a resolution of this problem. It was a person trying to get a motorcycle licence who wanted to take the test on a three-wheel motorcycle, like a motorcycle and side-

car. There is just no provision for this. This case involved a female who could not ride a two-wheel vehicle.

Mr. Gilbert: Is this a motorcycle with a sidecar?

Mr. Germa: Yes. She wanted to take a test on the motorcycle with the sidecar attached, and she was precluded from getting her licence. She couldn't qualify for anything.

Hon. Mr. Rhodes: Well, she should have been allowed to take that test.

Mr. Germa: She had come from a country where this was quite normal. She was an accomplished motorcycle driver with a sidecar but she was just too small to manhandle the weight of a two-wheel motorcycle.

Hon. Mr. Rhodes: I don't think there is any reason why she couldn't have been tested.

Mr. Aiken: I will have to check that. I don't understand why that would have happened. There would be a restriction, I think. Mr. Gower, are you in the background there somewhere, can you answer that?

Mr. R. G. Gower (Director, Driver Branch): Mr. Germa, I believe this question was raised and it was the fault of an employee who was not familiar with this practice; it is not very commonly used. But a person on a three-wheeled motor vehicle, a motorcycle per se, can be examined and tested on that vehicle, but is restricted to the operation of a three-wheeled vehicle. If this is the case I am thinking of, the staff were instructed and they proceeded and completed the examination.

Mr. Germa: So did she end up with a motorcycle licence restricted?

Mr. Gower: Restricted to three wheels or sidecar, whichever she took the test in. Obviously the skills required to operate the two-wheeled motorcycle against the three are quite different. That is the reason for the restriction.

Mr. Germa: I am glad that has been resolved. Another thing that plagues me are these special permits granted to move oversized loads on the highway. Is there any maximum width or length required for a person to get special permit? I am thinking about these houses which seem to be sawn in half and moved from here to there. Then they saw another one in half over here and move it over there. They go in both directions. Can someone explain to me what the ramifications are of these huge things we see on the highways?

Mr. Aiken: Mr. Germa, what type of structure are you referring to, a house that is being moved from one site to another or one of modular construction?

Mr. Germa: The modular constructed things are the ones that are really plaguing us.

Mr. Aiken: That includes, I suppose, the mobile homes which are of a similar construction. Some of those to a width of 14 ft can be moved under escort by the police, after the route has been checked and the maximum level of security applied to the particular move. There are restrictions with respect to days of the week, hours of the day, weather conditions and so on.

Mr. Germa: That is relative to mobile homes. What about these that seem to be in two sections? It appears as though they—

Mr. Gilbert: There is no difference; they are treated the same.

Mr. Germa: There is still a 14 ft maximum?

Mr. Gilbert: That is the maximum.

Hon. Mr. Rhodes: I think a lot depends upon the distance. If a person is making a reasonable move under special permit, and under special escort, I don't think anyone frowns upon them making a special move. We can give a special permit.

Let's use the Sudbury area for an example. If a person is going to move for two or three miles down the highway, as opposed to a long haul, we can make special exemptions.

Mr. Aiken: The 14 ft is, in fact, a maximum figure, and these are moved right across the province. The safety record is phenomenally good. Occasionally they get into some difficulty, but insofar as involving other people, or the property of other people, there is just no record of accident involvement. Mind you, they may become a bit of a nuisance on the road, but the police are in charge, and they do a good job of managing traffic. They take them off the road in order to let other vehicles pass. They don't move if weather conditions are not favourable. That, I think, accounts for the good record.

Mr. Germa: What is the maximum length?

Mr. Aiken: Sixty-five feet is the length of the home. The vehicle would take another 15 ft. You are talking about 80 ft, perhaps 90, in some cases

Mr. Germa: This activity of manufacturing these houses in a factory someplace and then

moving them on site 300 miles way is growing, is it not? You are issuing more now than you ever were.

Hon. Mr. Rhodes: That's right.

Mr. Aiken: It reflects someone providing the answer to a demand for lower cost and immediate housing.

Mr. Germa: Yes, but at what cost to the travelling public and inconvenience to the rest of the world?

Mr. Aiken: I am having some difficulty to measure inconvenience. I can only say, in terms of accidents, at minimal cost.

Mr. Gilbert: I think you have to balance Mr. Germa, the fact of being able, as you say, to move the houses, with the housing shortage, and everything else, against the fact that, yes, it is overwidth and there is some inconvenience, but with the control that we have asked the Solicitor General to put on the actual movement, as Mr. Aiken said, there have been very safe moves.

There is no doubt about it, it is an inconvenience. You have to balance the whole housing shortage and availability of lower cost housing to the problems in actually moving them. We have tried to maintain that balance by making sure there is proper police protection in these moves. There is no doubt about it, there is some inconvenience.

Mr. Germa: Well, I can see it growing more and more all the time. It just cannot continue. Your pavement is only 12 ft and you've got a 14 ft thing on the road. Now, when you are 65 ft long, and you are on a sharp curve, it is a problem.

I don't know whether you have ever met one of those things on a sharp corner like those you have south of Parry Sound. I met about four on Monday morning on that snaky road south of Parry Sound. When turning a corner, the outside corner is taking half of the pavement on the other lane.

Mr. Gilbert: Mr. Germa, we had a lot of concerns when we got the requests to allow for the wider homes to be moved. Certainly all the points you have raised are quite valid. However, as I say, you do have to balance the housing shortage and the fact it is a way of providing lower cost homes against this inconvenience. Everything you are saying is quite true, but there is this problem.

Mr. Germa: After following one for hours, with traffic piled up for at least a mile on Highway 69, I dropped into the OPP station

in Parry Sound. I asked the police what their attitude was on this. They said, "Well, the government has issued them a permit and we have no jurisdiction over him." He just washed his hands of the—

Hon. Mr. Rhodes: Was he not escorted by police?

Mr. Germa: No, it was not escorted by police.

Hon. Mr. Rhodes: Well, that is totally unacceptable because the condition of the permit is that there be a police escort to facilitate the movement of traffic around them safely. If the policeman threw his hands up in the air, he is just abdicating his responsibility. They are supposed to be escorted. If they weren't escorted, they were violating their permit.

Mr. Gilbert: They should be pulled off to the side.

Hon. Mr. Rhodes: They should be right off the road.

Mr. Germa: That is what I had suggested.

Hon. Mr. Rhodes: Right.

Mr. Germa: They weren't interested, or concerned. I did meet four of them this Monday and none of them was escorted.

Hon. Mr. Rhodes: That was totally in violation of the permit. The permit is issued on condition they will be escorted by police.

Mr. Germa: Whose responsibility is it to put the mechanics into place for the escort? Do you know whose responsibility it is?

Hon. Mr. Rhodes: The responsibility is on the person who is moving it to contact the police, get the permit and arrange for the police escort to be with them. It is their responsibility.

Mr. Germa: I think that has to be looked into. Maybe he doesn't have to be escorted all the way but when an OPP officer sees a mile of traffic behind he should pull him over for 10 minutes.

Hon. Mr. Rhodes: Fine, I couldn't agree more. The responsibility for the escort lies with the person who is making the move and the responsibility for providing that escort is with the police. The police usually, from the experience we've had, will arrange to make the move at the most convenient time for them to act as an escort. They are supposed to be escorted all the way, not just on occasions.

Mr. Germa: I can report that they are not.

Hon. Mr. Rhodes: That will be passed along to the Solicitor General. We have the assurance of the Solicitor General's office, after we had a number of very vociferous complaints—both from people like yourself who were travelling and being bothered by this and by people who wanted to move these units and couldn't get escorts—that these escorts would be provided. They are not supposed to move without them.

Mr. Ruston: I want to add one thing to this. I noticed a few years ago they would have a pickup or a car with a flashing light on travelling behind them. I've never noticed the police escorting them.

Hon. Mr. Rhodes: We require police for those loads.

Mr. Gartshore: At those times they weren't 14 ft wide. Now these things have swollen on us since then and we feel they need police rather than their own escorts; the police are able to hold traffic up whereas their own escorts have no authority.

Mr. Chairman: Mr. Germa?

Mr. Germa: Is the licensing such that it would not involve cost to the public purse to have a police escort?

Hon. Mr. Rhodes: They are charged for the escort.

Mr. Germa: They are charged? They are not doing it. If it's up to them to go out and hire a policeman they are not going to do it. They are not doing it.

Hon. Mr. Rhodes: They are charged \$1 a mile for the escort.

Mr. Germa: Plus the licence?

Mr. Gartshore: Yes, plus the permit.

Mr. Germa: Yes, plus the permit.

Mr. Gartshore: The permit is \$100.

Hon. Mr. Rhodes: If they are moving without that escort they are in violation and can be charged. They are not supposed to move without that escort. If you see one like that and it's reported to the police they are supposed to take action.

Mr. Germa: Like I say, I did report at least once to the OPP detachment in Parry Sound and I got nowhere with the police there.

Hon. Mr. Rhodes: Make a note of them.

Mr. Gilbert: If Mr. Germa could give Mr. Aiken the name afterwards, certainly it would

be considered the next time there is a request for a permit.

Mr. Germa: I don't know the name of the outfit moving it.

I wonder if the minister could report on what he's doing about Sunday trucking licences.

Hon. Mr. Rhodes: We are not issuing any.

Mr Germa: You were talking about inventing some sort of a licence to take hold of Sunday trucking. I wonder if you can bring us up to date. Have you devised a licence?

Hon. Mr. Rhodes: No, it is not a question of a licence really. You are familiar with the situation we ran into as it involved the CTC and the Lord's Day Act, so we won't go through that. The legislation is supposed to be developed in the Attorney General's office. We've talked with them and we've had discussions with them and that's where the legislation is supposed to be devised. It would control Sunday trucking in the Province of Ontario.

Mr. Germa: Okay.

Mr. Chairman: Mr. Allan?

Mr. J. N. Allan (Haldimand-Norfolk): Mr. Chairman, my concern was in connection with the designation of the classes of drivers. It kind of upsets me to think that the minister is going to have the lowest possible standard of of driver's licence.

Hon. Mr. Rhodes: It sure is. I want to tell you, you are not going to get me driving a bus or a semi.

Mr. Allan: I was wondering if you might consider doing it in the opposite way and that is to issue an A licence to the driver of a motor vehicle, that is a car and that sort of thing. Then you would add a letter to each of the licences after that, which indicates they are greater than the first one, rather than we are worse than they are. I don't think people are going to like having the lowest grade of driver's licence.

Hon. Mr. Rhodes: I would much rather recognize the increased talents and abilities required to handle a semi-trailer.

Mr. Allan: Then you give them an A-plus something.

Mr. D. A. Evans (Simcoe Centre): B for buses.

Mr. Allan: Sure.

Mr. Ruston: You are downgrading people; why not upgrade them?

Mr. Evans: They could have ABC.

Mr. Gilbertson: Sounds like a good idea—I am with them.

Mr. Ruston: What classification would a class A have? That would be classified as a G now, I would take it? Class A today would then be classed as G under the new proposal, is that right?

Mr. Allan: I would be limited to driving passenger vehicles.

Mr. Evans: That's what the man said.

Mr. Gartshore: We don't have any classification now.

Mr. Ruston: It says class A on my licence; I am just going by that.

Hon. Mr. Rhodes: Class A?

Mr. Ruston: On my present driver's licence.

Hon. Mr. Rhodes: That's restricted.

Mr. Ruston: You must not be familiar with your driver's license, because it says right here on it, "class," and it says—

An hon. member: One.

Mr. Ruston: Where did I see A?

Hon. Mr. Rhodes: I am more familiar with mine than you are with yours.

Mr. Stokes: Aren't you glad you looked?

Mr. Ruston: Class 1; where did I see A?

Hon. Mr. Rhodes: Well, you are a first-class man.

Mr. Chairman: Anything further?

Mr. Allan: No, but I think it is worth your while to consider, because instead of downgrading people you are upgrading them and people like to be upgraded.

Mr. E. Sargent (Grey-Bruce): Especially the Tories.

Mr. Chairman: Mr. Stokes.

Mr. Stokes: Where do I raise the question of overloading?

Mr. Gilbert: Item 3.

Mr. Chairman: Shall item 2 carry?

Mr. Ruston: Class 1 is then class G under the new plan, I take it?

Mr. Evans: They are going to make it A.

Mr. Ruston: Class 1 is a chauffeur's licence now; it would become a class G unless you are applying for something higher.

Mr. Chairman: Shall item 2 carry?

Mr. Stokes: Mr. Chairman, one brief thing that I want to raise with the minister.

Mr. Chairman: Under item 2?

Mr. Stokes: No, under licensing. It is not so much to do with the licensing, but the issuing of licences. We've had considerable problems with this lately in small communities where they are required to drive, or go by train in many instances, or write in to get licences. It happened in the case of the town of Armstrong, where they either had to take the train over to Sioux Lookout, or had to drive to Thunder Bay, or write in. It is an inhibiting factor with a good many people when they have to write in. They feel intimidated and they would rather visit themselves.

I am not going to make a plea for you to set up an office in Armstrong, but I am going to make a case for Marathon. The one who was issuing licences there decided that they didn't want to do it any more. There was a councillor in the town of Marathon who wrote me and said, a particular commercial outlet would be willing to handle licences because it complemented what they were doing—it was a Western Tire affiliate. I haven't heard lately that you made the appointment.

Hon. Mr. Rhodes: In that particular case, I think that is exactly where the issuing is. I remember you and I discussing this and—

Mr. Stokes: I brought it to your attention and I assumed it had been taken care of. Then several weeks later I had a call from this councillor saying the ministry still has failed to authorize this appointment as an issuer. You said you were going to look into it.

Hon. Mr. Rhodes: I am very surprised. I thought we had taken care of that, quite frankly.

I want to comment generally on the licence issuing offices in the smaller communities. They had been a real problem for us. Part of the problem is it isn't that lucrative to the individual who is issuing these licences and permits. It may well be we are going to have to reassess that aspect of it. Even in the larger

centres when you start to consider the cost of overhead for rental space, and all of these things, you find that the return to the issuer is not that great.

In the smaller communities, like many of the communities you represent, where we should have somebody issuing a licence because of the great distances that would have to be travelled otherwise to get these permits, we are having an awful time keeping people issuing them because there are only a few hundred to be issued in the immediate area. The amount of work involved has created some problem for us in places where people have said they are not interested any longer.

We are having a great deal of difficulty finding people to do it. I hope we can overcome this. We have in some areas by going into municipal offices and letting them take that on as part of their regular duties because they are open every day. I don't know whether we can overcome it in any other way except by raising the fees.

Mr. Stokes: If I might just go back at you, I can remember this was one of the first things that I took up with Irwin Haskett, when he was Minister of Transport. It was a problem back even then. I asked him why he couldn't co-ordinate things in communities where there was a provincial office, particularly a Lands and Forests office—now a Natural Resources office—where they are on duty regular office hours for five days a week, eight hours a day.

Why can't the northern affairs officer in many areas look after problems and direct problems to your attention? In areas like Armstrong, for instance, where there is a Natural Resources presence, why can't you say: "We want you fellows to take on this service"? It's a service to the public. It's not very lucrative, as you say, but there is a presence there. Why don't you say to them: "Take over this responsibility"? It's not all that onerous.

Hon. Mr. Rhodes: Let me say to you that in some of those areas in the northwest and in the northeast, where I have been having a lot of difficulty, I have had discussions with the Ministry of Natural Resources to have that done, perhaps by the northern affairs office, or where there is, as you suggest, an MNR office where this could be done. It is interesting to note that we just happened to throw a figure down here of \$1,088 for the issuer in Marathon, or the one who was there. He's in the office himself. You know and I know the great demands that are placed on these people by the general public who want to get their licences.

Mr. Stokes: And the lip they take from the public too under certain circumstance; I know all about that.

Hon. Mr. Rhodes: They expect this office to be open seven days a week—or at least six—from 8 in the morning until 8 at night. They take a lot of guff and they say it isn't worth their time.

Mr. Stokes: That's right.

Hon. Mr. Rhodes: That is a problem for us, and we know it is a problem. I have had some discussions with MNR on that very point for the northern section.

Mr. Stokes: Let me give you an example. Schreiber is a town of 2,000 people and there was a licence issuer there with whom you had considerable trouble. This is now transferred to somebody doing business right on the main street. He is happy to do it and everything is fine.

I wanted one of your predecessors to set up a licence-issuing office in Terrace Bay. It's the district headquarters for MNR; it's right on the main highway and it's quite accessible. They are open 40 hours a week. I wanted him to put licences in there. No, he wouldn't do it. You have got 2,000 people, or whatever number of registrations there are, travelling all the way from Terrace Bay into Schreiber because the licence issuer is nine miles away.

Is it that great a problem with your accounting and your bookkeeping that you can't convenience a count of 2,000 people by giving them a licence issuer?

Hon. Mr. Rhodes: We have another problem too. You say nine miles away. You run into this all over the province and not just in the north. You will have an issuer who is serving a particular area and the issuer is realizing X number of dollars as income, which is going to cover his cost of operation and make himself a reasonable return for himself. The minute you open up another office, nine miles down the road, you effectively are going to cut his income in half. You are going to open up another one with a very small income and you have two unhappy people. If you move down the road a piece again, you keep diluting the amount of return that the person can realize.

Mr. Stokes: Except that you people aren't entirely fair either. I can remember when you could get a licence for a car for \$8 or \$10, and the issuer got 50 cents. Now you are getting \$40 and the issuer is still getting 50 cents.

Hon. Mr. Rhodes: It is much more than 50 cents.

Mr. Gilbertson: How much?

Hon. Mr. Rhodes: I think it is 75 cents now. I said a few moments ago I think we are going to have to reassess all of these.

Mr. Haggerty: You said that last year.

Hon. Mr. Rhodes: No I didn't.

Mr. Chairman: Shall item 2 carry then?

Mr. Sargent: Mr. Chairman, on the—

Mr. Stokes: Did you make the appointment in Marathon?

Hon. Mr. Rhodes: I thought I had, but I'll make sure. I thought I had with Western Tire.

Mr. Sands, would you check that situation in Marathon? I thought we had made that appointment.

Mr. Stokes: The last I heard, you hadn't.

Mr. Chairman: Mr. Stokes, are you finished on that item?

Mr. Stokes: Yes.

Mr. Chairman: Mr. Sargent.

Mr. Sargent: A point on Mr. Allan's upgrading the licensing identification. I recall asking Haskett—oh, 10 years ago—why we don't put a photo of the driver on his licence. A further upgrading of that would be to put a small—say $\frac{3}{8}$ in.—microfilm of the medical history of the bearer on the card, so you would have a composite picture of the owner and his medical history—the whole package on the licence.

There must be some reason why you can't do it. Because if there is an accident tomorrow everything is right there—the picture of the person, the medical history; is right on the card, the whole package. That would be upgrading, if that could be considered. There was some reason why Irwin didn't go for it, he said—

Hon. Mr. Rhodes: One of the reasons we haven't gone to the picture, to be straight off the shoulder with you, is that it would be extremely costly.

Mr. Sargent: Nothing is costly. If the taxpayer is paying \$40 for a licence, what is it going to cost you? I can give you a cost for that card now. I know who produces these cards, the same as credit cards, and they aren't costly.

Hon. Mr. Rhodes: Our estimated cost for a photograph—

Interjection by an hon. member.

Mr. Sargent: I make them, yes. I am not going to make a deal with the government, but they aren't costly.

Hon. Mr. Rhodes: I can assure you you are not going to make a deal with the government.

Mr. Sargent: Oh, I wouldn't say that. Within a few months we might.

Hon. Mr. Rhodes: Let the record show that Mr. Sargent will make a deal with the government should the Liberals become in power.

Mr. Sargent: Oh yes, get that on the record.

Hon. Mr. Rhodes: No, really, we're saying that the total subsidy paid by the taxpayers either directly or indirectly would amount to approximately \$2 million annually.

Mr. Sargent: So what—

Hon. Mr. Rhodes: To put the pictures on.

Mr. Sargent: —if it is doing a job for the driving public?

Hon. Mr. Rhodes: I don't know whether it is needed to do the job. The licensing method we've been using seems to be working reasonably well. Certainly our licences are always accepted—in fact, they are accepted too much as a means of identification. I repeat the classic story of the police chief in a community who walked into a bank to cash a cheque and showed his police identification card with his picture on it. The teller threw it back and said, "Haven't you got a driver's licence?" They wouldn't cash his cheque till he showed his driver's licence.

So your licensing seems to be working without the picture.

Mr. Sargent: I didn't think you'd go for it, but it's modern, it's tomorrow. Here we are using the same old piece of paper.

Hon. Mr. Rhodes: I don't know, a licence is a licence to operate, I don't know whether we want to make it out like the—

Mr. Sargent: There are a lot of states in America that do it.

Hon. Mr. Rhodes: They are very backward. Anyway, we shouldn't be following the US all the time.

Mr. Sargent: You are constant. Stay right in there, moving right along.

Mr. Chairman: Mr. Taylor.

Mr. P. Taylor: Did you say pictures on drivers' licences would cost \$2 million or that you are now spending \$2 million on licences?

Hon. Mr. Rhodes: We estimate that the cost, directly or indirectly, would be about \$2 million extra to put the photograph on.

Mr. P. Taylor: Extra cost?

Mr. Sargent: You have rocks in your heads, it doesn't cost \$2 million.

Mr. P. Taylor: Could you say what you are now spending on—

Interjection by an hon. member.

Mr. P. Taylor: I see. It's \$11 million on licensing then, eh? Is that of all sorts?

Hon. Mr. Rhodes: No, that is a total cost which included, as I said on Friday, the data processing work that we do, the automated driver licence and that sort of thing.

Mr. P. Taylor: All right. Would you admit that drivers' licences are an important statistical tool?

Hon. Mr. Rhodes: I would say that eventually we'll get to bilingual licences, yes.

Mr. P. Taylor: That wasn't my question.

Hon. Mr. Rhodes: I might just as well answer the question you are leading up to. Stop playing lawyer and ask the question.

Mr. P. Taylor: You told me the opposite the other day.

Hon. Mr. Rhodes: No, I did not. I said I thought that eventually we probably will go to bilingual forms in the particular areas of the province where the French language is the predominant language.

Mr. P. Taylor: That is great. I would like you to be a little firmer on that as to what the real timetable is, but you told me the other day that you would probably fall back on the argument that Quebec is going to unilingual drivers' licences.

Hon. Mr. Rhodes: I said that was a very strong argument that I was getting from around the province; that before we go to bilingual forms in Ontario, let's wait and see what the Province of Quebec is doing. They apparently are going to go to straight unilingual forms. You may get that crazy backlash, like it or not.

Mr. P. Taylor: Yes, but I think, Mr. Minister, you know enough about what is going on in the Province of Quebec to understand why they

would do something like that, and the Quebec government in this case would be acting out of a kind of fear; and that is the fear that their culture is being assimilated and they are retrenching into documentation of a highly significant statistical nature in unilingual forms. I think that really, irrespective of what Quebec does, Ontario should do something simply because it is right, not because some other province is doing it differently.

Hon. Mr. Rhodes: I could show you letters that I have received that are giving me the same arguments the other way. I am not saying I agree or disagree either way. I come from a bilingual family. I am simply saying to you that there are those in Ontario who are using the same arguments as you are using, as to why Quebec is doing it and why Ontario should stay unilingual English.

Mr. P. Taylor: Could you tell me how much you expect this organ donation attachment to the licence to cost, over and above the present figures? What is it going to cost the province to provide this kind of option for drivers? What will the printing cost?

Mr. Gower: The attachment to the licence is not of the same quality as the licence itself, and in terms of the actual document it is fractional. The cost is insignificant in terms of just making the paper a little longer. It is a pre-printed form; it is not computer printed. It is just preprinted.

Mr. P. Taylor: Thank you. Excuse me, but normally you should only ask a question when you know the answer, but what is the—

Mr. Sargent: Well, the minister doesn't know either, so go right ahead.

Hon. Mr. Rhodes: That makes three of us then.

Mr. Chairman: Would you get back to the questioning, please?

Mr. P. Taylor: To what extent is it possible to take a driver's examination in French in the national capital area, or eastern Ontario in general?

Hon. Mr. Rhodes: Mr. Aiken?

Mr. P. Taylor: The Walkley Rd. establishment I am thinking of.

Mr. Aiken: It's completely possible, from the bilingual clerk to the bilingual examiner. There is no need to have command of both languages.

Hon. Mr. Rhodes: The one thing we don't have is the forms.

Mr. P. Taylor: Is the written test in French?

Hon. Mr. Rhodes: Yes. But we do not have the bilingual forms for the renewal. We do not have those, but we will.

Mr. P. Taylor: Do you think we of eastern Ontario and perhaps some areas of northern and southwestern Ontario could enlist your support to lobby the Attorney General (Mr. Clement) to produce copies of things like summonses and so on, that are traffic violation oriented documents, in other languages; in French?

Hon. Mr. Rhodes: My position has been, I feel that rather than going about this sort of approach ministry by ministry there should be a general overall policy.

Mr. P. Taylor: Marvellous. You know, you are really a very reasonable guy when it comes right down to it. If only we could—

Mr. Gilbert: I am not a lawyer, but I understand one of the problems is, of course, translation—translating any legal document from English to French and back and forth. I don't know, I am not a lawyer but I know this.

Mr. P. Taylor: The statutes of Canada are in both languages.

Hon. Mr. Rhodes: But only the English version is acceptable in courts, if you get right down to it. That is the information we have. That is what I have heard. If you get right down to it you can't give a pure interpretation apparently—as I understand it, and I don't know for sure—of the Criminal Code, for example, into French.

Mr. P. Taylor: Trials and court cases are decided daily in the Province of Quebec in French.

Hon. Mr. Rhodes: I know, but again, I am going to be like the deputy, I am no lawyer. I don't want to be.

Mr. P. Taylor: Okay. Well there has to be room for others in this Legislature.

Hon. Mr. Rhodes: That's right.

Mr. P. Taylor: One problem that I think you and I discussed via the mails—actually it was the one aspect of a letter I wrote to you that you didn't deal with in your response—is that in my estimation there is a real need for a licensing bureau, perhaps even a driver examination area in the centre of the city, where the massive office population finds itself during the day. Walkley Road and Vanier, as I think you know, are pretty distant—I think you also

have one in the west end of Ottawa—but I am talking about Place de Ville and the Ottawa Journal Tower. There are thousands and thousands of people who would have recourse to a licensing bureau and perhaps a driver examination centre right in the heart of the city, and I don't think you have one.

Hon. Mr. Rhodes: You are speaking now about the actual issuing of the licences, the plates and this sort of thing?

Mr. P. Taylor: That kind of thing.

Hon. Mr. Rhodes: If there is a need within the centre of the city of Ottawa for that sort of facility, fine, I would be quite happy to look into it.

Mr. P. Taylor: Well, perhaps you would like to check that letter I wrote to you about the Walkley Rd. establishment and about the hours of driver examinations and the hours of operation—and I accept your explanation in that letter about the hours of operation, but I have a feeling that the matter you were discussing with Mr. Stokes about the office manager's return wouldn't particularly apply here.

Hon. Mr. Rhodes: No, I don't think it would in that size of an area, but, Mr. Sands, if you want to make a note of that, we will take a look at that.

Mr. P. Taylor: Thank you, Mr. Chairman.

Mr. Germa: Can I raise one point, Mr. Chairman?

Mr. Chairman: Under this vote?

Mr. Germa: Yes, item 2. Is the ministry still selling the list of licence holders in Ontario to a private corporation?

Hon. Mr. Rhodes: Yes, sir.

Mr. Germa: How many dollars do you receive for that?

Hon. Mr. Rhodes: One cent a name—\$35,000 to \$40,000.

Mr. Germa: Well, what do I have to do to get my name off that list?

Hon. Mr. Rhodes: Just ask.

Mr. Germa: Well, by buying that licence I didn't give you authority to give my name to some other person to flog seat covers and all the junk that I get. I think it would be a good publicity campaign to spend a couple of hundred thousand dollars, telling people how to get their names off that list. Either

that or don't sell the list, because for \$30,000 you are creating more garbage—you know, I'll bet you are costing us \$10 million in garbage by selling those lists.

Hon. Mr. Rhodes: I would like to discontinue it completely. I don't like the idea. I don't like the junk mail I get. My feeling is that if I am required by law to purchase a licence in order to abide by that law, I should not be required to have my name given out to an agency such as you are suggesting or to others. I agree with you.

The argument that I am getting against this sort of thing, and I think it has some validity, is that the companies like Ford, General Motors and others who are producing or stocking parts would like to be able to have a source of information that tells them how many 1962, 1963, 1965, 1968 models and so on are still licensed in any particular area so that these parts can be stocked. However, I am a firm believer that we can give them those numbers without giving the names and addresses. I think it can be done, and we are working on that right now. Just as I have eliminated one of these phone-in situations, I would like to eliminate this too.

Mr. Germa: I will look forward to the day when you get my name off the list. If I knew who to talk to—

Hon. Mr. Rhodes: I will take yours off right away.

Mr. Germa: Good.

Mr. P. Taylor: Supplementary to that, Mr. Chairman, I have two brief questions: When you sell that list at a cent a name to this organization—

Hon. Mr. Rhodes: R. L. Polk is the name of the company.

Mr. P. Taylor: —is there any restriction on their ability to resell that and to whom?

Mr. Gilbert: We are working on this right now to try to make sure that there is a guarantee or something on the restrictions that are there. This is what the minister was getting at, that we try to see if it is possible to provide this restriction and yet still provide this information that appears to be essential. Failing that, then, as he said, he is prepared to take another look at it.

Mr. P. Taylor: My second question: Is it R. L. Polk or MTC that provides this data to the motor companies?

Hon. Mr. Rhodes: Polk, probably.

Mr. P. Taylor: So Ford pays Polk so there is a resale factor right there.

Hon. Mr. Rhodes: Oh sure, there's no question.

Mr. P. Taylor: I think that's what the member for Sudbury and others are talking about. For instance, I don't think any motorist could object to selling that list, or providing it free of charge or at the cost of production, to something like War Amputees of Canada. This resale, to generate junk mail which is a tremendous load on the post office, I can't go along with.

Hon. Mr. Rhodes: That is correct. My own feeling, individually, is that the information that would be of value to manufacturing companies, like the motor companies, as to the year, make and model of the car, can be spewed out by a computer without the name and address being on it.

Mr. P. Taylor: You know, R. L. Polk is able to take those three million-odd names, numbers and so forth—

Hon. Mr. Rhodes: We can make the computer work.

Mr. P. Taylor: —and do demographic breakdowns and all kinds of regional breakdowns. As to the resale possibilities of those reworked lists, the sky's the limit.

Hon. Mr. Rhodes: It's their business. We are a source of raw material.

Mr. P. Taylor: We look forward to news from you on that score. Thank you, Mr. Chairman.

Mr. Sargent: It's an invasion of privacy.

Mr. Chairman: Mr. Deacon, is your question on this vote?

Mr. Deacon: Is this where your point system is discussed—the demerit system?

Hon. Mr. Rhodes: Yes.

Mr. Deacon: Has any further thought been given to the proposal made, I think by your third predecessor, about using the system whereby, when a person first gets his licence at 16, he can build up to a maximum of 13 points? He gets a point every three months for safe driving so that if he has an accident, or misses a stop sign at the early stage he can lose his right to drive. It seemed to me a very good system. It places, on young drivers,

a much greater onus on care than is often the case.

Hon. Mr. Rhodes: There was a presentation made to me, not too long ago, along those same lines. The thing that bothered me about it was that you start off a 16-year-old with a driver's licence. He keeps collecting these points until he eventually gets up around, say, 15 points.

Mr. Deacon: Thirteen is what we have, isn't it?

Hon. Mr. Rhodes: It's now 15, isn't it? Fifteen now, is the maximum. Say you allow him to gather these 15 points. The part I don't like about that, quite frankly, is that as the young driver keeps getting this collection of points, suddenly he says, "Hey, I've got 15 points. I've got a lot of credits; I can use a few up." I'm not saying he will. I'm saying that he could and, as a result, he becomes a little more careless. So he gets picked up for speeding; or for some other violation and the points start going down again. He's now around 12 or 10 and he says: "Hold on, I've got to build up those credits again." At least, under the system we now have, when the person violates it, and gets those first points he knows they're there and as they add up he's going to lose that licence. I think it's just as effective the way it is if not more so. I think if you give a guy a credit he feels he can spend part of that credit.

Mr. Deacon: I am interested. I've had several discussions with young drivers about this. I think one of the most important things we've done is introduce the safe driving programmes, which have done a great deal to make them much more aware of defensive driving and its merits. But I also found that they think this would be a heck of a good system to have as part of the programme. They say that once you've got two or three years of being accustomed to taking greater care, because you didn't want to lose your right to drive, it becomes a habit. They feel it's a habit-forming programme.

Three of us, the member for Scarborough Centre (Mr. Drea), the member for Yorkview (Mr. Young) and myself, had an interesting session at Langstaff School with quite a group of kids on this matter of driver safety. This is one of the points they felt made a lot of sense. I would ask the minister to take another look at that whole thought. I don't think you will find they will abuse it in the way the minister suggests. In fact, it would work quite the contrary.

Hon. Mr. Rhodes: One of the things that we've been looking at—and I'll just pass it along, after I read a portion of it, into the record—says:

A pilot study of the early driving experience of a beginner driver revealed a widespread tendency to violate the rules of the road. After one year of driving, 32 per cent of male beginners will have at least one conviction on their driving record. Twelve per cent will have two convictions. The study also revealed that male beginners have at least 50 per cent greater collision involvement and 100 per cent greater conviction rates. Female beginners will have at least 170 per cent greater collision involvement than other female drivers, and 10 per cent greater conviction rates.

I am comparing female to female; I'm not playing man against woman on this one. In the light of this study, consideration has been given to the issuance of a probationary licence to all new drivers for two specific purposes: (1) to impress upon the new driver the responsibility he or she must assume when he or she accepts a driver's licence, and (2) to provide an opportunity to monitor the performance of the new drivers. We have been looking at that.

Mr. Deacon: This other way they feel would make more sense because they wouldn't be second-class drivers to begin with, or probationary drivers. They have passed the test, they have qualified, but they are still operating under very close lines.

Hon. Mr. Rhodes: We have a rather funny situation, and I don't know how you are ever going to overcome some of this. You live in Metropolitan Toronto and you have a 16-year-old who is going to—

Mr. Deacon: I don't live in Metro Toronto.

Hon. Mr. Rhodes: All right, you live in the area and you travel a fair amount in Metro. Let's take someone who does live in Metro; the son or daughter becomes 16 years of age, goes to a driving school or whatever it is, becomes a competent driver, gets tested for the licence and gets the licence. He or she has been examined and has learned to drive in this area and in the type of traffic here.

You can go 60 miles out of town and the fellow or a girl getting a driver's licence is driving on a very quiet county road where there is minimal traffic and none of the hazards you are going to run into here. As

soon as they get a hand on that licence, it qualifies them to get out on the 401 in rush hour.

Now, really, that youngster is not that competent; and some older people aren't that competent either. You come out of a quiet rural area where the traffic is not bad. All of a sudden, that piece of paper you've got qualifies you to jump right into that traffic. I really wonder if that is a good thing. I don't know how you overcome it.

Mr. Deacon: I still think that increasing the availability of defensive driving courses is certainly one way of doing it. The combination of practical instruction and those lectures they have is just great.

Hon. Mr. Rhodes: I think there is a real need to increase the driver education—

Mr. Deacon: That's right.

Hon. Mr. Rhodes: —the in class sort of thing, the attitude influencing sort of education.

Mr. Deacon: I still come back to the matter of that point system being something I think should be changed in the way I suggest. Once the fellows get through that first two or three years, most have developed their driving habits. If they find a simple offence means they have lost their right to drive, it cools them off pretty quickly, especially at the beginning.

Hon. Mr. Rhodes: I am sorry, were you suggesting one offence and then gone?

Mr. Deacon: After all, if they have built up only a point or two—they have only been driving, say, six months; that means they have two points. If they miss a stop sign, that's gone and they lose their right to drive until they have built it up again.

Hon. Mr. Rhodes: You are broke when you start.

Mr. Deacon: You are which?

Hon. Mr. Rhodes: I say, you start off broke and you try to build up the points.

Mr. Deacon: You start off broke and you have to build it up.

Mr. Stokes: That makes sense. They have to prove themselves.

Hon. Mr. Rhodes: Yes.

Mr. Deacon: I can tell you—

Hon. Mr. Rhodes: That's the reverse of what I was saying.

Mr. Deacon: I am sorry. I know of some of the problems we had in our own family over driving, I wished there was a licence to be lifted; it would have helped.

Mr. Stokes: Experience counts for something.

Hon. Mr. Rhodes: Yes, I hadn't heard it put that way before.

Mr. Deacon: I am sorry, I didn't explain it well at the beginning.

Hon. Mr. Rhodes: I think you did but I was thinking of the other one which had been presented to me.

Mr. Deacon: As I say, in developing this in two or three school situations where I have brought it up, the youngsters feel this would be a very good way of putting a little extra pressure and a little extra sense of responsibility on new drivers.

Mr. Stokes: It's what the insurance companies do.

Mr. Chairman: Are you finished?

Mr. Deacon: Yes.

Mr. Chairman: Mr. Root?

Mr. J. Root (Wellington-Dufferin): Mr. Chairman, I take a different point of view and I have mentioned this in the House on this matter of insurance. I think that when we license a person to drive, they pass a test and you presume they are innocent. I don't like convicting anybody until they have committed an offence. To me, with this proposal, you are putting a penalty on before they have committed an offence. I think when they commit an offence, they lose their points. I have said the same thing in the House—I think our insurance companies slap a penalty on people who have proved their competence to drive by passing a driver's test. I know a lot of young people who have never had an accident and they are penalized.

Mr. Haggerty: But the insurance rates are high.

Mr. Root: We grant them a licence as a competent driver; they go out and buy insurance and they are penalized right off the bat.

Hon. Mr. Rhodes: I wish you'd take that matter up in the estimates of the Minister

of Consumer and Commercial Relations because I've got a long way to go here.

Mr. Root: I know, but it's the same kind of situation we are talking about here. I don't think an innocent person should be penalized.

Hon. Mr. Rhodes: We are not suggesting penalization. That was not the suggestion of the member for York Centre.

Mr. Root: You are going to give them no points to start.

Hon. Mr. Rhodes: That's what they've got now, no points to start with.

Mr. Root: You mean to say, when a young lad buys his driver's licence, he hasn't got 15 points to start with.

Hon. Mr. Rhodes: No, he accumulates 15 point for violations.

Mr. Germa: These are black stars.

Mr. Root: He's innocent until he has a violation.

Hon. Mr. Rhodes: He would be the same under the member of York Centre's proposal too.

Mr. Root: I'll have to think that over.

Mr. Sargent: When does the member for York Centre's proposal go into effect?

Hon. Mr. Rhodes: I have to assess it, to see how we can implement it.

Mr. Chairman: Item 2 carried?

Mr. Haggerty: One point.

Mr. Chairman: Mr. Haggerty on one point.

Mr. Haggerty: I wonder if the minister has given any consideration to a better quality of licence plate since we don't renew them every year on vehicles. Have you thought about reflectorizing the licence plate? On the country and rural roads the plates become chipped and you can't read the number.

Hon. Mr. Rhodes: Yes. We had some trouble with good paint to begin with. I think the plates have held up reasonably well considering the five-year term.

Mr. Gilbert: We have been pleasantly surprised, quite frankly.

Mr. Haggerty: But you look at some of them, and you can't pick the numbers off. The paint is chipped.

Hon. Mr. Rhodes: The law enforcement agencies have no complaints.

Mr. Haggerty: No complaints?

Hon. Mr. Rhodes: No, they say they are working out fine. We don't want to add to the costs if we can help it.

Mr. Gilbert: We had concerns when we started that they would not stand up.

Mr. Haggerty: Have you thought about reflectorizing them?

Mr. Chairman: Item 2 carried? Item 2 agreed to. On item 3. Was there someone who had a question on item 3? **Mr. Germa:**

Mr. P. Taylor: Mr. Germa is trying to figure it out.

Mr. Germa: There is an increase here.

Mr. P. Taylor: Imagine that.

Mr. Germa: Yes, a \$3-million increase.

Mr. P. Taylor: More than that.

Hon. Mr. Rhodes: Part of this increase is a result of the completion of the regionalization of the driver and vehicle areas. As you know, we went into a more decentralized regionalization programme. That was part of it. Also, there were staff transfer expenses as part of that regionalization programme.

Mr. Germa: What do you mean, regionalization?

Hon. Mr. Rhodes: We've gone into dividing the province up into regions. Into these areas we put managers of the driver examiner and licence issuing branches. There is a regional man now in the areas, and there are district people. This has allowed us to give better service in the various areas.

Mr. Germa: Are you still doing a lot of work on examining trucks on the highway?

Hon. Mr. Rhodes: As far as safety inspections and checking out, yes, a considerable amount.

Mr. Germa: Have you been to every truck on the highway yet? The last time we talked you were aiming at that.

Hon. Mr. Rhodes: I don't know.

Mr. Germa: Can I have a report on how that programme is going?

Hon. Mr. Rhodes: We can tell you some of the statistics. Have you got them there?

Mr. Aiken: Yes, our purpose was not to inspect every truck on the highway, but to zero in on those large, heavy and particularly articulated vehicles and trains, that gave some evidence of being defective in some way. The inspectors are all licensed mechanics. They became quite competent at this. We attempted to inspect 60,000 of these vehicles in the last fiscal year. We fell somewhat short of that. We hit about 55,000 partly because of some problems in recruiting.

We find there have been some clearly evident improvements in some of the more critical safety-related items such as tires, steering, suspension and brakes. The purpose of the programme, of course, was three-fold. It was to alert the owner to a defective vehicle, and by so doing, encourage him to introduce an improved maintenance programme; secondly, to give us some idea of what the programme should look like in future years, and thirdly, of course, to remove the unfit vehicle from the highway.

Originally we were moving about 11 per cent of the vehicles from the road. That dropped down to 10, and now it is down around eight per cent on the basis of the last figures. This compares favourably, say, with the ICC experience in the States, where they are removing something like over 20 per cent of their vehicles for defects that make them dangerous to other users of the highway.

So, on that basis, we are encouraged by the direction in which the programme is moving. We are encouraged particularly by the steps the fleet operators have taken to introduce better maintenance programmes, because in the final analysis, inspection is just a poor alternative to a good maintenance programme.

Some of them have introduced new programmes and they have come back to us saying that they saved them money. They have actually been money in pocket by changing tires more frequently and by doing routine maintenance more frequently, and by so doing they avoid the breakdown on the side of the highway—and that becomes costly when you have lost a truck and a load and a driver and all those extra costs of making roadside repairs.

Mr. Germa: Do you even go so far as to determine if a set of tires is unsafe?

Mr. Aiken: Yes. And a vehicle may be held until such time as someone comes out and replaces the dangerous tires.

Mr. Germa: How many extra staff did you put on because of this programme?

Mr. Aiken: Thirty people. They are divided into 15 teams of two and they work right across the province.

Mr. Germa: Have you got any people on contract doing this?

Mr. Aiken: No, these are all permanent staff.

Mr. Germa: Did you ever have anyone on contract?

Mr. Aiken: An adviser in the early days, but that was for a limited and fixed period. That was, in fact, before this programme started.

Mr. Germa: Thank you.

Mr. Chairman: Mr. Stokes.

Mr. Stokes: Yes. Just when you were talking, Mr. Aiken, I recall something that I found objectionable to me. I don't know how many people have noticed this, but on buses manufactured in the United States—I found several of them that are operating between the airport here and downtown Toronto—it says: "It is against regulations laid down by the ICC—the Interstate Commerce Commission of the United States—for anybody to stand forward of the white line while the bus is in motion." Can't we have something of our own, rather than having to direct passengers to do or not to do certain things without being guided by some ordinance that is laid down by the ICC?

Hon. Mr. Rhodes: No, that's just to keep Americans back of the white line.

An hon. member: That's the Mason-Dixon line.

Mr. Chairman: Item 3 carried?

Mr. Stokes: No, no. That is just an aside. It was one of the things that I raised earlier, and I paid tribute to Mr. Duncan and Mr. Foley of this ministry when they had to go down and appeal a decision that was before the ICC in the United States for a rate increase in Canada on behalf of pulp and paper people in the province. As I say, if it wasn't for the efforts of this ministry, that was something that would have been down the drain. It would have been detrimental to our people had your people not been vigilant.

What I want to talk about is overloading. I don't know what the restrictions are down here in southern Ontario, whether you have half-loading or not. But I know most of our roads in the north—certainly all the secondary and the tertiary roads—have half-load restrictions during spring breakup.

I was coming down Highway 599 about seven weeks ago and I stopped in to have a cup of coffee along the way. In came one of your patrolmen and said to a grader operator, "Will you go down the road and build a road around a cement truck that is coming north, because he is stuck in soft sand?" It happened to be an area that was reconstructed last year and the aggregate hadn't consolidated and he was in there up to his ears.

I am not competent to say whether or not that truck was overloaded, but people in the business say there is no doubt in their minds that here you have a transport hauling bulk cement all the way from Winnipeg along Highway 17, and because there is no truck station at Ignace, he thought it was worth his while to turn north on Highway 599 and he got stuck. The traffic had to be diverted around him. It cost your ministry a considerable amount of money to build a temporary road around this immobilized vehicle and you and I, the taxpayers, pay for it.

Everybody in the area was so incensed about the whole affair that they asked me to raise it. So I took the trouble to write down the name of the transport company, in case you want to investigate them. It's Kleysen Transport of Winnipeg. There were three trucks. Two of them, one before and one after, got around, and I understand the truck was there for several hours until they got somebody to pull them out.

It seems to me the half-loading restriction is not being enforced. There is no inspection in the area. I think the last inspection place is at Dryden, which is approximately 70 miles west on Highway 17.

Mr. Aiken: Depending on which way they came in. They would most probably come through Keewatin. There is a truck inspection station there.

Mr. Stokes: Does half-loading apply on Highway 17 as well? You see, they're not in violation until they turn up a secondary road.

Mr. Gilbert: That's right.

Mr. Stokes: If you haven't got an inspection there, the prohibition is meaningless.

Mr. Gilbert: But their load certainly would have been checked at Keewatin, would it not?

Mr. Aiken: Very likely. As long as they stayed on other than a half-load road.

Mr. Stokes: All right. All you have to do is check into your records to see if they were checked going by Keewatin. If they were overloaded at Keewatin, they were sure as hell overloaded on Highway 599. I understand the penalties are quite severe, are they not?

Mr. Aiken: Yes.

Mr. Stokes: Is it so much a pound?

Mr. Aiken: So much a hundred pounds, that's right. Up to as much as \$5 a hundred; I think that is the top.

Mr. Stokes: I have been after you people to upgrade Highway 599 now for several years and you're doing it, slowly, but surely. This happened to be a newly constructed area. It was good road for normal traffic. I'm not denying it. I just want you to do more.

You get a truck like that and everybody who is knowledgeable in the field says he will bet his last dollar that that truck was overloaded and taking advantage of a situation because it is a long haul—192 miles up Highway 599 from Ignace to Pickle Lake. It cost us, the taxpayers, a good buck to get a grader down there to build a road around this stalled vehicle. You and I are the losers for it.

I think there should be greater enforcement, particularly in an area where there is a lot of construction going on, where it is common knowledge that heavy loads are going in and going to be going in there for the next two or three years. I think it's something well worthwhile looking into.

Mr. Gilbert: Certainly we agree that as far as overloading on half-loading areas go it's a real concern. Could we use portable scales on a case like that?

Mr. Aiken: We can and do use portables in order to augment the facility that we have at the permanent stations because others will attempt to avoid the permanent station. They will wait until the truck inspection is closed and then make a run for it. So we use patrol cars equipped with portable scales so that we can deal with these other roads.

Just for the record and for clarification, the range of fines is from the minimum 50

cents per hundredweight, where the overweight is less than 5,000 lb. That goes up progressively to \$5 per hundredweight where the gross load is in excess of that permitted by 30,000 lb or more. The largest fine possible, I think, was something like \$18,000.

Mr. Stokes: Would you look into that particular incident?

Mr. Aiken: Indeed, yes.

Mr. Chairman: Is item 3 carried? That concludes vote 2303.

Vote 2303 agreed to.

On vote 2304:

Mr. Chairman: Vote 2304? Is item 1 carried? Mr. Haggerty, item 1. Gentlemen, if I could just ask you to please try to keep to the different items.

Mr. Gilbertson: Stick to the subject.

Mr. Haggerty: I always stick to the subject. I hope I am on this time. I was ruled out of order the other day dealing with road signing. I understand it comes under this particular vote, right?

Hon. Mr. Rhodes: Under the design part of it. We are dealing with item 1 which is the programme administration. Are there any questions there?

Mr. Chairman: Any questions on item 1?

Mr. Deacon: I was wondering if this is where inspection of actual capital construction is carried out. Is this the group of people who would be inspecting construction?

Hon. Mr. Rhodes: It is item 3 under this vote. We have broken it down this year into items. The first item is programme administration; the cost of administering our programme is in that first item. The next is design, which fits into what you were talking about earlier.

Mr. Deacon: What is the \$13 million? Is that for your actual—

Mr. Chairman: Order, please, so we can hear.

Mr. Deacon: Can you give us a breakdown of what those salaries and wages are? How many employees are involved? What they are doing if they are not under the other votes?

Hon. Mr. Rhodes: The total complement under this vote would include an assistant

deputy minister of research and development; executive director of operations; priority development branch; regional administrative support; district administrative support; and regional special services administrative support; for a total complement of 1,141.

Mr. Deacon: Priority development? How do you co-ordinate priority development in this area with the actual priority development under the municipal programmes? After all, county and regional roads are very closely interrelated with these.

Mr. Gilbert: As far as the priority development branch is concerned its responsibility is in King's highways.

Mr. Deacon: I realize that but one of the concerns I have is, for example, it seems to me we have a lot more money going into regional roads in some areas than we should; maybe they should be shoving some of that money into some of your northern King's highways. Don't you have a standard programme of priority development whereby you would do an evaluation between the various types of roads, whether they be King's highways or municipal roads?

Mr. Gilbert: Yes.

Mr. Deacon: Surely this priority development is something that goes over the overall road programme?

Mr. Gilbert: The planning area, as far as the municipal roads and the King's highways are concerned is looked at as a whole. As far as concerns the allotment of money and the development of the funds for the municipal roads as compared to the King's highways, our priority development branch is interested in the programme for the King's highways. The two amounts of money come together as far as the deputy minister's office is concerned and we look at the two total votes there.

Mr. Deacon: Under this vote you do have the development of priorities in your overall programme, under this first item?

Mr. Gilbert: The King's highways.

Mr. Deacon: I don't understand. Where are you—

Mr. Gilbert: Not the regional roads. As you know the regional people develop their own scheduling and their own programming for the construction of their roads.

Mr. Deacon: Yes, I can see that to some extent; that is within the region to some extent. Do you mean to say you just allocate a blanket amount and let them go ahead and spend, even though the conditions of their roads may be way better than some of your roads?

Mr. Gilbert: No. What I am getting at is in the planning area you look at the total needs of the region and the amount of money for that need. They go together to develop the municipal subsidy for that particular county or region.

Mr. Evans: That is local autonomy.

Hon. Mr. Rhodes: One of the difficulties we run into, for example, is where we go in and we take part in a road needs study in a particular area. Then we try to adjust our subsidy programme to that particular area to reach a certain percentage of the needs of that particular area. You can get into all kinds of trouble because you can go into a municipality that has a pretty strong tax base where they have a fair amount of money coming in and are looking for greater subsidies because they are going to be developing a road programme that would be far superior to others in the province. We just won't let them do it.

Mr. Deacon: I feel you have to have overall supervision as to the block allocation of funds in the different areas, looking at the general condition of road transportation—

Mr. Gilbert: And needs.

Mr. Deacon: —and needs in those areas. What has concerned me is that there seems to be a great deficiency of funds for some of the more remote areas of the province where I have come across far worse traffic jams than I do within our region. Yet the road counts and whatever you use for deciding priorities in these things seem to mean that we spend a whole lot of money putting in a four-lane road in the region of York where we don't need it, when you get into an awful traffic tie up coming into Timmins or around Pembroke or something like that.

Mr. Gilbert: Are you suggesting, Mr. Deacon, that too much money, for instance, is going to York for roads as compared to King's highway needs?

Mr. Deacon: I am saying that in certain King's highways away from Toronto as I travel around this province I think the needs are far greater away from this city than they are

around this city. I find that our programmes have just been so extravagant.

Mr. Gilbert: You have a minister who certainly agrees with you.

Hon. Mr. Rhodes: You are right on. We will cancel Highway 404 immediately.

Mr. Deacon: You can go ahead with 404. You can darn well do that, but you can cancel the widening of Yonge St., the widening of Highway 7 and a lot of these other things. I think you should do these controlled access roads and some of these roads that are moving the traffic around centres. But it certainly bothers me a great deal to see the battles of residents that we have in York.

Mr. Stokes: Some of these overpasses that are down here would be welcome in the north.

Mr. Deacon: They are saying why the dickens are they widening out roads to 120-ft rights of way when the need for that in the future is a long way off.

Mr. Chairman: Before we go any further, I notice the gentlemen have changed here at the front. Perhaps the minister or his deputy could tell us who these gentlemen are over here.

Hon. Mr. Rhodes: If it is required. Most of them are enjoying their anonymity, but if you insist, we will.

Mr. Evans: Has this vote anything to do with the development of roads?

Mr. Chairman: I think Mr. Root had a question under this first vote. Were you finished, Mr. Deacon?

Mr. Deacon: I hadn't got any answers yet.

Hon. Mr. Rhodes: That is understandable, but have you finished your questions?

Mr. Deacon: I am looking forward under this minister to getting some answers.

Hon. Mr. Rhodes: Perhaps Mr. Harvey may want to respond to Mr. Deacon on priority development.

Mr. Deacon: What I am concerned about is the fact that we seem to be going ahead with a lot of road construction programmes in the region of York—I don't know how it is in some other regions—that seem to be away ahead of their need and are causing a lot of residential problems.

Mr. Haggerty: That is unusual for this ministry.

Mr. L. Maeck (Parry Sound): It is pretty obvious he is not going to run again.

Mr. Deacon: I may not be running again. I am working to get some good public transportation. I am trying to get some by-pass roads to go around towns instead of trying to drive asphalt strips or highways through little towns. I also have found the worst traffic jams are away from Toronto; not in Toronto. I think that in this area we've done a tremendous amount of road construction. I think we are hopefully attacking the overall transportation needs by other than just highways but in other areas of the province we have really got to do a lot more in terms of studying road needs. I don't think our normal method of assessing needs by traffic counts, or whatever method we use, is coming up with the right answers; otherwise, we would have spent a lot more money in the Timmins area, for example. When I see the job that traffic has getting into Timmins from the eastern approaches, or the traffic around Pembroke and up Renfrew way—there are many areas of this province where I drive—I can hardly understand how the people put up with what they do. Then when I see us building a road like Highway 144 that is so inadequate, and it has just been recently constructed, I can hardly understand how we ever passed that sort of design.

Hon. Mr. Rhodes: Just before Mr. Bidell gets into this in more detail, I think there is one very simple thing that we can't overlook; that is, when we develop our budget, the amount of money we are going to spend, we are trying to determine how much money will we spend in the provincial roads programme and how much will we spend in the municipal roads programme.

When we start to go through that budget and we are suddenly faced with the necessity of reducing that budget—all budgets have to get cut somewhere—we have a tendency—perhaps wrongly, I don't know; I think perhaps it's a good idea—when we start to look for cuts, to cut out of our own provincial programme in order to protect the municipalities, who are trying to evolve a better road and street programme within their communities.

You are referring to areas down here like the region of York and others, where everything is very visible because you are going into four-laning and widening programmes. But a great many of our dollars are going into municipalities that are doing basic, fundamental roadwork within their counties, within their townships and within their cities. This is where we have been putting a fair amount of dollars, especially in the areas where we are

subsidizing as much as 80 per cent of the costs. Then there's the moneys that we put into development road programmes.

In total, there is a lot of money going into our municipal programme, and although I am not going to fault them—I accept your comments on York region and others, say—we do have a lot of municipalities around that are in real need. If you look at the applications I get for supplementary subsidies, where they are asking for another \$50,000 and we are only able to give them an extra \$10,000, they get very uptight.

Mr. Deacon: Mr. Minister, I am not arguing as between municipal roads and provincial highways; I am talking about the way you set your priorities, the way you assess or evaluate what is the real need. I think an awful lot of the programmes that have been recommended down here have been ones that probably could have accomplished their objectives by throat-widenings, improvements in bypasses and things like that. We still don't have a bypass around Unionville, and they still want to build four-lane roads elsewhere. They don't seem to be coming up in their programmes—but it's up to us in the local area to deal with that, because it's a local municipal problem, and we will come at that.

I still would like to know how this part of the ministry develops its priorities, how it assesses them. Is it just by road counts, or are there other things that they do to try to study and evaluate the need?

Hon. Mr. Rhodes: Mr. Bidell.

Mr. W. Bidell (Assistant Deputy Minister, Planning and Design): Mr. Deacon, what you say is true, that the methods by which priorities have been assessed for different programmes within the ministry have been on a different basis. Because of that, for the very reasons you have mentioned, we are attempting to put all our programmes on the same basis so that we have a reasonable method of comparing the needs of one programme as against the other.

There are more programmes than you have mentioned. Let me tell you about the programmes we are working on, as I have outlined.

Within the provincial roads system, there are the King's highways—that's one programme in a sense—then there are secondary highways, industrial roads and tertiary roads. Within the context of the municipal roads we have regional roads, local roads in townships. We also have to consider our programme in provincial transit, which we will be discussing further on in this

session. Municipal transit is another programme.

In other words, we have 11 programmes, if you want to look at it in that way, where we have to say, "Well, what are the relative priorities of each?" and to have some rational way to assign these priorities on a comparable basis. As you point out, a road in regional York may not have the same priority as some road in northern Ontario. So we are developing a system now which we are calling quality standards. In other words, we are taking into account such things as traffic volumes, safety, geometrics—which, of course, is related to safety—half-load restrictions, like the 599.

There are something like six or seven factors that will be considered in assessing need. Once we reduce, if I can use that word, the assessment of deficiencies and needs on all these programmes—which go beyond just roads; they go into other areas as well—on a comparable basis, then we will have a much more rational way of assessing priorities and present the minister with options or tradeoffs between this programme and that programme. Perhaps in the case of assessing the municipal need, we might find that maybe more money should go into some other programme or vice versa. This is the overall programme on the basis of establishing priorities that we are working on now. We are well along the way. Within another year we will have all these programmes put into this context.

Mr. Deacon: I was wondering if you are taking into account some of the economic impact. The development of roads is an obvious one, but I have mentioned before, I think on two or three occasions, the fact that 75 per cent of the truck traffic between Winnipeg and eastern Canada is moving through the States because of the poor condition of our roads, even though the distance is a good deal shorter through Canada, and the economic impact it would have on communities, say, along that CN right of way north of Lake Nipigon, if we ever did build a proper two-lane road with lots of passing lanes and bypassing communities where they could really highball through. It would provide a tremendous economic base for that area on which they could build that sort of communities.

Mr. Bidell: Okay, well there are two different things here. What I was talking about in the last few minutes is a method of assessing priorities on existing deficiencies, wherever they may occur.

Mr. Deacon: Including that sort of a deficiency?

Mr. Bidell: Wait a minute—with the kind of deficiency, in quotes, that you are speaking of, it's not really a deficiency in the same sense. What you are suggesting is that by construction of facilities along a certain corridor we can induce traffic to use that, which will have an economic benefit in some areas. It's not directly related to an existing deficiency. These kinds of deficiencies, if you will, are being identified by the longer-range planning studies, such as was mentioned in this committee the other day in the Lake Erie and Niagara region, which are looking at these very issues as to what economic impact would a new road have here, or an intercity bus or a rail network have in these particular areas.

Mr. Deacon: The original design of Highway 401 was a very good one for the province as a whole, as well as looking after local traffic needs. It seems to me that at the same time as you're doing this priority appraisal, if you did take into account something of a grander scale, such as you had originally in Highway 401, it might also really do a great deal to look after local needs and eliminate the frustration people in those areas have, through their being cut off or having to travel such tremendous distances to get to other points. I would feel that we could do so much more if we included the economic need of an area, of even a whole section of the province, as well as some of these smaller little plans. If we approach the matter on the basic overall economic need of the total area, then we can start to make a long range plan probably most economically and with greater benefit.

Mr. Bidell: Yes, well these two distinct programmes that I mentioned will address both those issues and, of course, they have to be integrated. I quite agree with you that the long range economic impact is a very, very major consideration.

Mr. Deacon: Will you have this under way within a year? Is it something that will be available?

Mr. Bidell: Yes, we have about half of it pretty well established at the present time.

Mr. Deacon: Is the information on a programme like that going to be available just to your ministry or is it going to be available to others to look at?

Mr. Bidell: Available to whom?

Mr. Deacon: I was thinking about a study, because it seems to me it's a pretty important factor in people's plans for long-term development.

Mr. Gilbert: In what way? Are you speaking of the overall thrust to it?

Mr. Deacon: I am talking about the overall thrust of a plan such as when they came out with the original 401 plan. I thought that was a terrific thing because it was announced well ahead of actual construction. It gave people an opportunity to think about where they could put plants and where they could do all kinds of things.

Mr. Bidell: Oh yes, the longer-range plan definitely would be available publicly.

Mr. Deacon: So, within a year's time you might have something in the way of a longer-range plan of a major nature to announce in general terms?

Mr. Bidell: The plan I mentioned we would have available in one year's time is this system of assessing existing deficiencies between various programmes. This will assist us in establishing priorities. That is one sort of system of priority establishment. This would be available within the year.

The other aspect of the longer-range plans, which will include the economic and social impacts you mention, is an ongoing programme that will never end. It's a continuous look into the future as to what could be done to enhance this part of the province economically, or otherwise. That is a separate system from the system establishing existing deficiencies. Of course, the two are integrated.

Mr. Deacon: There doesn't seem to be any obvious indication of the second programme you are discussing.

Mr. Bidell: No, we've been issuing these long-range plans across the province since 1965. They are constantly being revised because of changing conditions. An example is the Lake Erie and Niagara regional study that is now complete, but cannot be indicated as ministry policy until such time as the Niagara region official plan has been adopted. It's the second time around in this area.

Mr. Deacon: Oh, is this the sort of thing we saw in the new highway design around the airport? Is that the type of concept?

Mr. Bidell: We issued a west Toronto study over to Hamilton, the northeastern Ontario study, the Ottawa area study, the Niagara study, the London area study. This has been going on for some time. They are constantly being revised because of changing conditions.

This is an ongoing process. This is where these economic impacts you've been speaking about are taken into account and projecting future requirements.

Mr. Deacon: Those studies are available for people in a region to examine at any time?

Mr. Bidell: Oh yes, once they are approved by the minister as present ministry policy.

Mr. Deacon: What are now available? Is there a list of those now available?

Mr. Bidell: Certainly.

Mr. Deacon: If I could get a copy of those studies that are available I would appreciate it.

Mr. Bidell: Yes, I'll give you a list. If we have some extra copies of some of these other studies I can send you a copy of each.

Mr. Chairman: Item 1 agreed to. Tonight, as we agreed earlier today, we'll go on to 2305, and 2306 where it affects the Ontario Northland. At eight o'clock we'll discuss those two portions of the vote.

It being 6 o'clock, p.m., the committee took recess.

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ESTIMATES, MINISTRY OF TRANSPORTATION AND COMMUNICATIONS

Standing Resources Development Committee

Chairman: Mr. R. K. McNeil

OFFICIAL REPORT — DAILY EDITION

Fifth Session of the Twenty-Ninth Legislature

Tuesday, June 3, 1975

Evening Session

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

THE QUEEN'S PRINTER
PARLIAMENT BUILDINGS, TORONTO
1975

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LEGISLATIVE ASSEMBLY OF ONTARIO

TUESDAY, JUNE 3, 1975

The committee resumed at 8 o'clock, p.m.

ESTIMATES, MINISTRY OF TRANSPORTATION AND COMMUNICATIONS

(continued)

Mr. Chairman: Gentlemen, we're on vote 2305. Do you want to go on with the whole vote, items 1 and 2, or do you want to go on operations?

Mr. J. E. Stokes (Thunder Bay): Take the whole thing.

Mr. P. Taylor (Carleton East): What was that number again?

Mr. Chairman: Vote 2305, item 1, capital and construction. Who is first? Carried?

Mr. P. Taylor: Oh, no.

Mr. R. S. Smith (Nipissing): Is this where we're going to cover the ONR, generally speaking?

Hon. J. R. Rhodes (Minister of Transportation and Communications): Part of it is in here, Mr. Smith, in vote 2305 and part of it is in 2306. In 2305 we'll be dealing with part of the ONR's involvement; the Tobermory ferry and the passenger service.

Mr. Stokes: I think you should have a statement from your spokesman from the ONR giving an account of their stewardship over the past year. You're going from \$3.1 million to \$22.6 million. Obviously you bought a lot of diesels. Don't you think you should tell us about it?

Mr. R. S. Smith: That is not all the ONR.

Mr. W. Ferrier (Cochrane South): Why not deal with the whole of the ONR and carry that, then we'll not bring it up again?

Hon. Mr. Rhodes: We can do that. But I thought—again, Mr. Chairman, it's entirely up to the committee—if they are gracious enough to allow this move, we can do it one of two ways. We can deal with this whole vote 2305

at this time, which is the total provincial transit programme, included in which is part of the ONR operations. Then we can deal with 2306, again which is more ONR operations. It is the air programme, which is the ONR involvement under 2306. I'm prepared to go ahead with 2305 in its entirety at this stage, and deal with those ONR questions which will arise in this vote.

Mr. R. S. Smith: Okay, if any questions come up under this vote that should properly come up under 2306, you will just deal with them here anyway?

Hon. Mr. Rhodes: Yes. For example, under 2305 we will deal with the GO Transit system and the other provincially-operated transit systems, the ONR and the ferry services. Fire away.

Mr. Chairman: Who will be first?

Mr. H. F. Gilbert (Deputy Minister): Within the ministry we carry the loss on the ONTC passenger loss service and the Tobermory ferry. That is the amount of money that we carry under provincial transit, as part of our ministry. We don't carry the total ONTC budget, of course.

Mr. Stokes: You make up for the—

Mr. Gilbert: The government has directed the ONTC, as the operating agent for the government, to carry out these loss programmes, and the funding comes through our ministry. That would be the total for the ferry service, and as the minister said, the passenger loss service.

Mr. R. S. Smith: Okay.

Mr. Chairman: Mr. Smith.

Mr. R. S. Smith: But this embraces, as well, the freight services too, I presume?

Hon. Mr. Rhodes: Just let me clarify, from the ministry's point of view, the matters that we deal with in our estimates. Mr. Gilbert has pointed out that for the purposes of estimates, the only things you will find in the book here will be those amounts of money that we are required to provide in our estimates to cover the losses incurred by the ONR. These include

the passenger service and the operations of the Tobermory ferry. The other aspects of the ONR operation are not covered with dollar signs, and with figures, within these estimates.

Mr. R. S. Smith: But can any ONR thing be discussed in these estimates or maybe they should have been discussed under the first vote?

Hon. Mr. Rhodes: We have got Mr. Clifford here. I am sure that he is quite prepared to answer. I don't think we're going to be too sticky about it.

Mr. R. S. Smith: I don't think there are going to be that many questions. I would like to start off then with the whole question of the losses that have been incurred through the rail transportation of people. For about 10 years now, I have picked it up every year.

Where do we stand now with the provision of application, to the federal government, in regard to a subsidy for those losses that we're now incurring? I know we're getting the subsidy on the losses between Rouyn-Noranda and Kirkland Lake, because that Nipissing Central Railway is considered an interprovincial railroad. There has been some suggestion, all along, that there is no reason why the two companies can't be combined. Then the ONR would become an interprovincial railroad and the subsidies could be applied for, for that part of the line that travels between Cochrane and North Bay and the other spur lines that perhaps might provide any type of passenger service. I would like to ask where that stands now. I understand their negotiations have gone on, in the past with the federal commission in regards to this matter.

Mr. F. S. Clifford (General Manager, Ontario Northland Transportation Commission): Mr. Smith, we have had meetings and discussions with the Canadian Transport Commission. The last one was on March 12 at which Mr. E. H. LaBord, one of the commissioners, and the various CTC people, were represented. The reception that we had there was basically that the CTC recognized our problem but, due to the fact that we are not federally chartered, there was nothing they could do for us directly unless our charter was changed.

They did suggest, however, that, inasmuch as the Canadian National had originally applied for a passenger subsidy, and the way the request read was "Toronto-North Bay-Kapuskasing," and that as the operations on the ONR were an integral part of the whole operation from Toronto to Kapuskasing as such, they suggested we endeavour to make arrangements with the Canadian National. If we could

have the Canadian National include our deficit with their submission, the commission would then look at their ability to fund, to the Canadian National, in order that they would throw back our portion of the deficit.

We've had discussions with the Canadian National. They have been very fruitful. The CTC also asked us to make a full submission to them. We did that, in writing, approximately four or five weeks ago. That is where the matter now stands. It is fairly active although it is not moving especially quickly, you might say.

Mr. R. S. Smith: Well, there is the other alternative open to you. You could put your two companies together and become a federally chartered company such as, I presume, the Nipissing company was.

Mr. Clifford: The Nipissing Central is federally chartered.

Mr. R. S. Smith: It is a federally chartered company. If you reverse the ownership so that the ONR became a subsidiary of the Nipissing Central, then you would likely qualify for the same grants in a different way. Is this a feasible suggestion, or not?

Hon. Mr. Rhodes: Mr. Smith, I would want to give that very serious consideration before I made that move. When you become a federally chartered railroad in the entire operation then a railroad such as the Ontario Northland couldn't make a move without getting CTC approval. I'm not trying to be derogatory to the CTC approval. They are a very busy body. Many of their decisions are slow in coming and it can be long in getting a response because of the activity and scope of their involvement.

To put the provincially owned and operated railway under the federal charter would leave us subject to all of the rules, regulations, and decision-making by the CTC in hearings, and what have you. It would be very detrimental to the operations in that particular area. We are a very small railroad, as you know, and I'd be a little concerned about putting ourselves in that position.

Mr. R. S. Smith: Most of their decisions would basically affect your rates and that type of thing. Is this what you are referring to?

Hon. Mr. Rhodes: That's part of it. I think that would be part of it but, certainly, there are other aspects to the CTC.

Mr. R. S. Smith: But, they have regulations, too, that perhaps you people don't want to meet.

Mr. R. Haggerty (Welland South): Perhaps your roads are not up to the standards set by the CTC.

Hon. Mr. Rhodes: No, on the contrary, I would think our road is probably up to a higher standard in some areas. I'm suggesting that when you want to make a change in your operation, from the point of view say of the province, it would be of great provincial interest and it would be to the advantage of the people being served by that railroad that we would not be subject to the delays that can be experienced at the CTC. I'm sure you've had some experience yourself.

Again I emphasize, it's not pointing the finger at the CTC and saying they are not competent. On the contrary, they are very busy. They've got a tremendous responsibility in that area.

Mr. R. S. Smith: My major worry is not how you get the money, only that you get it. I don't care. If it would work through the Canadian National, well that's fine.

Hon. Mr. Rhodes: We would like to work it that way.

Mr. R. S. Smith: I've been bringing it up for about 10 years and we finally have come to the point in the last two years where they've at least started to negotiate about it.

Hon. Mr. Rhodes: I am quite happy to say that when you brought this up last year at the estimates, it was the first time I've ever heard this. I immediately contacted Mr. Clifford and asked him to institute the studies that are now going on.

Mr. R. S. Smith: What amount of the \$3,597,000 is actual loss insofar as passenger service is concerned, and what amount has the Tobermory ferry service lost?

Hon. Mr. Rhodes: The estimated loss on the main line and the Moosonee branch, is \$3.44 million. The estimated deficit of the Tobermory ferry is \$157,000.

Mr. R. S. Smith: This is mostly all rail loss we are talking about here? That's a considerably higher loss than we've had in previous years, is it not?

Hon. Mr. Rhodes: Mr. Clifford, is that a higher loss?

Mr. Clifford: Yes. That \$3.4 million the minister mentioned is comparable to \$2.8 million in the previous year.

Mr. R. S. Smith: Has it been an increasing loss each year?

Mr. Clifford: There has been a gradual increase in the loss.

Mr. R. S. Smith: I understand a survey is being done on changing the service from an overnight to a day service. Do you think this will provide a better service, and will it be more acceptable or less acceptable? I have my opinion, but I suppose everyone has an opinion on it.

Mr. Clifford: I can only give you my personal opinion on it, Mr. Smith. I think the people in northern Ontario prefer an overnight rather than a day service despite the survey we are making, but we are going to determine just what they want. Some people figure day service is more acceptable. I sincerely have my doubts that people really want the day service rather than the night service.

Mr. R. S. Smith: I would think that the people would consider the night service better or more suitable for their purposes, anyway. If you're successful in your negotiations with the CNR, will there be additional services provided with those funds that are recaptured in that way? In other words, will we have an upgrading of passenger service?

Mr. Clifford: Of the frequency of service, Mr. Smith?

Mr. R. S. Smith: Yes, both an upgrading and the frequency.

Mr. Clifford: I would expect that we would. As you know, the federal government is doing its particular survey on rail passenger operations throughout Canada. We have in our possession a complete set of new specifications for passenger equipment. We would be prepared to go out to tender any time—we're ready to go—and look for new passenger equipment.

Mr. R. S. Smith: Okay. The other matter I wanted to talk about was in regard to the freight rate subsidy that was in effect for a year. I don't know where the moneys came from for that, but apparently they were paid over to you people I presume through TEIGA or some other ministry. Is that correct? The freight rate subsidies that went into effect when the Premier (Mr. Davis) announced that the salvation of the north was a 15 per cent reduction in freight rates or something?

Hon. Mr. Rhodes: I don't know whether he announced it in those words, but I can tell you it wasn't a salvation.

Mr. R. S. Smith: He certainly implied that.

Mr. Ferrier: All the money went into the merchants' pockets.

Hon. Mr. Rhodes: It was in this ministry, I think. We discussed it back in an earlier vote, but it was within the ministry that the subsidies came from. This was the freight rate subsidy that went into both the rail freight and the truck freight. The subsidizing was by holding the rates down, not allowing increases, not taking increases on the ONR as a railroad or on Star Transfer, and subsidizing the private carriers in competition on the same routes. But that was discussed in an earlier vote.

Mr. F. Laughren (Nickel Belt): Didn't you notice the dip in the cost of living, Dick?

Mr. R. S. Smith: Oh yes, tremendous.

Mr. Gilbert: Mr. Smith, there is an excellent paper on this by Robin Summerley. He gave it last fall at the Roads and Transportation Association of Canada annual conference here, and if you wanted to read this—

Mr. R. S. Smith: Yes, I would like to read it.

Mr. Gilbert: It is an excellent paper.

Mr. R. S. Smith: I would like to ask a few questions in regard to this. I didn't realize it came under an earlier vote. How much was the cost to the taxpayer in the province?

Hon. Mr. Rhodes: That was asked, and we're getting those figures put together. It was asked yesterday, and Robin Summerley is going to be getting them. I don't think we've got them here yet. But there was a cost, there's no question about it.

Mr. R. S. Smith: Oh, I realize that.

Hon. Mr. Rhodes: Quite frankly, as I said yesterday, that programme did not work.

Mr. R. S. Smith: It didn't produce a saving to the consumer, really.

Hon. Mr. Rhodes: No, it didn't.

Mr. R. S. Smith: The manufacturer or someone else picked up the savings?

Hon. Mr. Rhodes: What we found was that many off-the-shelf items, especially in food-stuffs, were no more expensive in the supermarket in Timmins than they were in Toronto. Sure, you could pick out isolated specials, but when you looked at it item for item it balanced out. They were almost the same. What was happening was that the decreased cost was

being absorbed by the shipper from Toronto. So we got out of it. It just wasn't worth it.

In the second part of that programme, when we thought, "Let's get out of these small commodities and off-the-shelf items and go into major items, like refrigerators and building materials," the same blasted thing happened. Only this time it wasn't the shipper, it was the retailer at the other end who didn't bother passing it on.

Mr. R. S. Smith: He might have picked up three or four dollars or whatever the difference was on the one item.

Hon. Mr. Rhodes: Sure.

Mr. R. S. Smith: The other question I have is—

Hon. Mr. Rhodes: Excuse me. I can give you those figures. To Star Transfer, from October to December of 1973, and then January to May 13, 1974, in subsidies and in compensations a total of \$734,308.01. You can round it off if you like.

Mr. R. S. Smith: That's to Star?

Hon. Mr. Rhodes: Yes, but that's not the total figure.

Mr. R. S. Smith: No, I realize that.

Hon. Mr. Rhodes: No, there was a revenue deterioration as applied to Star—\$1,031,626.08; for a total of \$1,765,934.09. Dominion Consolidated was another firm; the total there was \$182,072.53. Alary Transfer, \$69,846.83; and Trans-Provincial, \$3,521.73. This is a grand total of \$2,021,375.18.

Mr. R. S. Smith: There was a freezing as well on the ONR; that's not included in that.

Hon. Mr. Rhodes: On the railway as well. No, that's the—

Mr. R. S. Smith: That's just the transport companies.

Hon. Mr. Rhodes: That doesn't include the rail rates.

Mr. Clifford: No, that doesn't include the rail rates. But it was very minimal on the rail end; there was just the freezing on the rates on some of the express freight, that is the small packaged goods. Mind you there was the freezing on freight rates by the federal government for approximately a two-year period, but that's not included in that either.

Mr. R. S. Smith: But the ONR cost would not be anywhere in this ball park figure at all?

Mr. Clifford: Oh no; approximately \$87,000 was the ONR's rail portion.

Mr. R. S. Smith: So if we add \$87,000 to that, we'll get about the total cost of the programme?

Mr. Clifford: Right, yes.

Hon. Mr. Rhodes: That is \$2.1 million plus.

Mr. R. S. Smith: That's an awful expensive speech to the North Bay Rotary Club, let me tell you.

Hon. Mr. Rhodes: I think perhaps—

Mr. R. S. Smith: That's one way of looking at it.

Hon. Mr. Rhodes: That's one way of looking at it. But I think there is the other way of looking at it, too. You must remember that this particular proposal was not just developed out of a hat by the ministry. It was one that was being pushed on very strongly by the North-eastern Association of Mayors and Reeves and other people who have now evolved into what we know as the action group.

They were the people who kept insisting that the province should, and I can well remember this—being involved in those days in the municipal scene—pushing very hard, saying that the government should be subsidizing freight rates. It was on their suggestion we went ahead and did this.

Sure, \$2 million is a lot of money. But it was done with a view to see whether or not we could, in fact, subsidize freight rates to the benefit of the consumer. We found out it just didn't work under that particular formula. It's an expensive experiment, no question.

Mr. R. S. Smith: I take a little exception to that. I realize that there were some pressures, but not specifically for this type of thing. There were pressures for a method by which the reductions to the cost of living could be brought in in northern Ontario. A lot of people seemed to have their eyes and their ears geared to one area, and that was freight rates.

I realize that there were some pressures from the action group at that time, who have now moved to a little different area. But to say that the programme was well worked out before it was announced, I basically disagree with that. I've been told by those people who had to work out the freight rates later, they didn't even know it was coming until the announcement was there. The fact of the matter is, it wasn't a policy of the commission until it became an announcement of the ministry.

Hon. Mr. Rhodes: Absolutely; it was not the policy of the commission, it was the policy of the government.

Mr. R. S. Smith: That's right.

Hon. Mr. Rhodes: And I think without any hesitation I can say that the Ontario Northland Transportation Commission does not make the policy for the government. It is just the other way around, and will continue to be that way.

Mr. R. S. Smith: I certainly agree with that. I agree that may or may not be true. It depends from where you are looking. On the other hand, let's say that there was no consultation between the government and the commission as to the ability of the commission to put this into effect, and as to the results of the programme, prior to the implementation of the programme. They were just handed a thing and told, "Go ahead, work it out, boys, and do the best you can with it."

Hon. Mr. Rhodes: I can't comment on how it was developed, but Mr. Clifford can.

Mr. E. W. Martel (Sudbury East): It wasn't developed, it was presented as a fait accompli.

Mr. Ferrier: It was the Foley report. The Foley report was made and the government brought the action group down and showed them a few sections out of it and the action group was just dancing with glee, and that's why they kept pushing it.

I think that you people here fed this information to them. Sure, they thought this was an option. After the Foley report gave this as a method of reducing freight rates, they were on the bandwagon more than ever. I don't think you can put all the blame on the action group. They were led along to accept this position to some degree.

Hon. Mr. Rhodes: No one has tried to put the blame on them.

Mr. Ferrier: Well, there was some—

Hon. Mr. Rhodes: No. What I have said was that it wasn't just something developed purely within the ministry. You know and I know—my goodness, I don't have to tell you, coming from Timmins—that there was an awful lot of pressure on both the federal and provincial governments to do something about reducing the freight rates on commodities going into northern Ontario.

Mr. Ferrier: Right.

Hon. Mr. Rhodes: And this was the direction that was taken. And I have said to you, it didn't

work. Nobody is going to make you think it worked. It didn't work.

Mr. Gilbert: All across Canada, as you know, this is—

Mr. R. S. Smith: We are not arguing about that.

Mr. Gilbert: —one of the biggest arguments in the western provinces, this whole business of subsidy for freight rates. Quite frankly, as the minister says, sure, there are \$2 million; that's a lot of money. But believe me, it provided an awful lot of answers into this whole business of using a subsidy on freight to bring down the costs of commodities, not only in northern Ontario but in western Canada or anywhere else you want to apply it.

That paper of Summerley's covers the whole background. I think it's an excellent summary. It bears out all the facts, how we got into this thing, what the results were and the—

Mr. Martel: The government didn't take the crunch, Mr. Gilbert, and say, "Wait a minute, you pass on your savings to the consumer." You can subsidize, and if you don't then—

Mr. Chairman: Order.

Mr. Martel: Well, it is a fact of life.

Mr. Chairman: You haven't got the floor.

Mr. Laughren: Yes, he has.

Mr. Martel: Why is he so excited?

Mr. Chairman: No, no.

Hon. Mr. Rhodes: You are totally out of order. You—

Mr. Martel: Well, that's all right.

Mr. Chairman: Mr. Smith, are you through yet?

Mr. R. S. Smith: No, I am not.

Hon. Mr. Rhodes: Mr. Smith has the floor.

Mr. Martel: Mr. Gilbert makes a point I can't agree with.

Hon. Mr. Rhodes: Show a little courtesy.

Mr. Martel: If the government agrees to subsidize, then you go a further step and say, "But you pass the savings on to the consumer." And if governments don't do that you are in trouble.

Mr. Chairman: Order. Dick, carry on.

Mr. Martel: Geez, you trust those free enterprisers, do you?

An hon. member: Come on. Dick, you've got the floor.

Mr. R. S. Smith: Okay, I'll—

Hon. Mr. Rhodes: Those socialists have different—

An hon. member: Right.

Mr. R. S. Smith: I just make the point that I don't believe that—

Mr. D. A. Evans (Simcoe Centre): Don't worry about that old fellow from Sudbury.

Mr. R. S. Smith: —there was consultation between the Premier, the ministry and the Ontario Northland Railway before this was announced. I think it was announced as a fait accompli by the Premier and handed to the ministry and on to the commission and to these people who ultimately get all the jobs handed to them anyway—

Mr. Martel: Carton said, "Get on with it."

Mr. R. S. Smith: —and said, "Go ahead and work this out; this is what the box score is. You fill it in." That's really what I believe happened. As a result, I think we had a programme that was off on the wrong foot to start with.

I agree it may have provided a lot of answers to a lot of questions that may still be with us, and the experience may well have been worth some kind of money. But in northeastern Ontario \$2 million is still a lot of dough, and we could sure do a lot with that. But I'll go on from there to the other questions I have, because that is really all I have on that. It is over and done with, and there should be other programmes to take its place, such a straight reduction in the sales tax, or an income tax credit to people who live in northeastern Ontario, or some other programmes that are more direct.

Hon. Mr. Rhodes: I would like someone to tell me, under those two proposals, where is this cutoff line that we are going to make this change? I have heard this song sung before, but where is the cutoff line? I want you to tell me what community, on what side of what line, gets the reduction, and what community on the other side doesn't get it?

Mr. R. S. Smith: I am talking about northern Ontario. You know, as well as I, what is included in northern Ontario, plus the district of Parry Sound. Is that specific enough for you?

Hon. Mr. Rhodes: It is reasonably close, but I would be most interested to find out what the people living in Muskoka are going to say if they suddenly find out they are not included in this reduction.

Mr. R. S. Smith: I would be interested to know what the people in Parry Sound thought about this \$2 million that went down the drain. They never even had a chance to find out whether it would help them or not.

Mr. Martel: Allan Lawrence could have built his railroad through North Bay to Parry Sound.

Hon. Mr. Rhodes: That's an idea you won't ever have to put into effect, so it is all right.

Mr. R. S. Smith: That is only your opinion.

Hon. Mr. Rhodes: You are expressing yours. I am expressing mine.

Mr. Martel: With that money, Allan Lawrence could build his railway to North Bay.

Mr. Chairman: You are not on the list.

Mr. Martel: That is why I am interjecting. That is the only way I can get in.

Interjections by hon. members.

Mr. Ferrier: I think you are a great chairman. I am glad you are bringing these unruly members to order.

Mr. Chairman: Get on with the job.

Mr. R. S. Smith: Don't rush me. We are not getting paid by the hour, you know.

An hon. member: Well, we should be.

Mr. R. S. Smith: I have two more questions.

Mr. Stokes: Get on with it.

Mr. R. S. Smith: Why don't we make a rule that if it is on the same subject we finish it?

Mr. Ferrier: Well, I don't mind. You finish up.

Interjections by hon. members.

Mr. R. S. Smith: Every committee you go into you get a different rule anyway.

Mr. Chairman: We are on item 2, so stick to it.

Mr. R. S. Smith: Okay, thanks a lot. My question is internal and on a subject that I don't understand. I would like an explanation because I understand, in one area, there are real problems right now. These things all come

to me. There is always someone coming to me about something. Some I can ignore. Some I follow up, to some extent.

Interjections by hon. members.

Mr. Chairman: Order, fellows.

Mr. R. S. Smith: Is seniority the only criterion for advancement, say, in the general office?

Hon. Mr. Rhodes: Mr. Chairman, I want to object to that question being asked at this stage, in this form. I really don't think that is part of the vote. We are quite willing to be very flexible on this, but if you are going to get into personalities and the internal operation it is not part of the vote.

Mr. R. S. Smith: I'm not going to talk about people at all.

Hon. Mr. Rhodes: The internal operations of the ONR, with the greatest respect, Mr. Chairman, are not part of the vote. I am sure that can be discussed at an Ontario Northland commission meeting where it should more properly be discussed.

Mr. Stokes: I disagree.

Hon. Mr. Rhodes: I am suggesting that is not relevant.

Mr. Stokes: It is not up to you, Mr. Minister. It is up to the chairman to say what is relevant within this vote.

Hon. Mr. Rhodes: If that is the case, I would respectfully ask the Chair to hold everything strictly to the vote, which are the estimated losses on the Moosonee line branch and the deficit of the Tobermory ferry, if you want to get right down to what is on the list.

Mr. Stokes: We have an opportunity on any vote where money is expended to delve into the workings of the Ontario Northland Transportation Commission.

Hon. Mr. Rhodes: Okay, we will talk about the losses, if that's what we are going to talk about.

Mr. R. S. Smith: Administration goes into the losses, too.

Mr. Stokes: Carrying that to the ridiculous, if they didn't have a loss we wouldn't be able to talk about the ONR.

Hon. Mr. Rhodes: There would be no need because there would be no public money expended.

Mr. R. S. Smith: You are exactly wrong, Mr. Minister, it has always been the criterion of the Legislature that the ONR has been discussed at one point or another within the estimates. There has always been a free and fairly open discussion on the ONR during the estimates of the ministry to which it was responsible. If that was not allowed on the first vote, then it should be allowed on some vote where there is money voted for it.

For you to tell me the losses of \$1,765,939 do not include any administrative losses is rather ridiculous. Some of that has to be charged to the administration of the railroad. Could you tell me if that is strictly a loss based on passenger service? Is there nobody in the ONR main office building who does anything that contributes at all to that loss?

Hon. Mr. Rhodes: It would be part of the operations, I would have to agree.

Mr. R. S. Smith: Yes, that's right, so we can talk about it.

Hon. Mr. Rhodes: I am going to tell you that, as far as I am concerned, if you are going to get into the details of the internal operations of the ONTC we could be here for the next month.

Mr. Laughren: Why?

Hon. Mr. Rhodes: This matter is properly discussed at the ONTC if it's internal operations.

Mr. Martel: You never invite us.

Mr. Ferrier: They now have open meetings.

Mr. R. S. Smith: Since you've been in the ministry you have never had the commission in here to discuss it with the members.

Hon. Mr. Rhodes: They hold regular meetings and they held them in your area.

Mr. R. S. Smith: The public are not invited. They are closed meetings. I can't even get a copy of the minutes of your meeting, Mr. Minister.

Hon. Mr. Rhodes: I don't distribute the minutes. Write a formal complaint. The matter is dealt with publicly.

Mr. R. S. Smith: You are just playing games.

Mr. Martel: First you say we can't discuss one thing, then you are saying, "Go to the meetings." The minute the member from North Bay says, "The public isn't notified, I can't even get minutes," the minister says, "Too

bad, write a complaint." You can't opt in and out.

Hon. Mr. Rhodes: I will stand to be corrected because I don't subscribe, unfortunately, to the North Bay Nugget, but I understand there are notices of the meetings of the commission.

Mr. R. S. Smith: No.

Mr. Clifford: There are public meetings after the committee sits.

Mr. R. S. Smith: There have been two of them. There have been two held in the 10 years I have been here.

Interjection by an hon. member.

Mr. R. S. Smith: Mr. Chairman, I would like a ruling from you. I would like a ruling as to whether I can ask the question I want to ask.

Mr. Chairman: Go ahead.

Mr. R. S. Smith: It is a very simple question. It is not going to take hours.

Jobs come up within the administrative staff below the level of you people—where the union is—within the office staff. What are the criteria for promotions at that level?

Mr. Clifford: Mr. Smith, you are talking about a specific case which has just come up. That is something which, in my mind, should be dealt with in a normal grievance procedure as contained in the collective grievances between the clerks' organization and the commission. I'll try to answer the question to the best of my knowledge.

Mr. R. S. Smith: I don't want you to be specific.

Mr. Clifford: I have to be specific in this particular case. Promotion in management ranks is one of the few prerogatives the management has left.

Mr. R. S. Smith: Right.

Mr. Clifford: They do not have to go strictly by seniority when they are selecting somebody for the management ranks. I think the union recognizes that. We try to recognize the length of service a person has, not only within the clerical organization, but within the Ontario Northland as a whole.

The specific case which you are referring to is the promotion of a female to the management ranks. She had lengthy service in the clerical organization—I would say about 10 or 12 years in the clerks' organization. She also had about 10 years of service within the telephone

operators' service. Here is a girl with about 22 or 23 years service.

We said we would also recognize her service within the commission itself when we were considering her for promotion into management ranks. She did not have as much service as some other clerical people did in the clerks' organization per se.

Mr. R. S. Smith: But because it was a promotion to management ranks you feel that is the prerogative of—

Mr. Clifford: Management. And the organization recognizes that.

Mr. R. S. Smith: What you are saying to me is that the union feels this is not a prerogative.

Mr. Clifford: A normal grievance procedure is called for in the collective agreement.

Mr. R. S. Smith: But you feel it is outside that normal grievance procedure?

Mr. Clifford: I do, for that promotion to management ranks, yes.

Mr. R. S. Smith: That is what I wanted to find out, that is why I asked that question.

The other question I have is in regard to the other vote. I presume we are going to deal with the ONR and then get it over with. So we'll go over to the next vote. This is where norOntair comes, really. Can you tell me whether norOntair is audited on a yearly basis as of April 1 or of Jan. 1?

Mr. Clifford: No, norOntair, like all commission operations, is audited on a calendar-year basis.

Mr. R. S. Smith: Calendar-year basis, okay. What was the loss of norOntair to the end of December of last year and what is the prospective loss for norOntair to the end of this year, with the increased services that will come into effect through the summer and the fall?

Hon. Mr. Rhodes: For norOntair, the total estimated loss for the northeast—oh, you are asking for last year's figures?

Mr. R. S. Smith: Yes, first; and then the projected loss for this year.

Hon. Mr. Rhodes: Last year the total loss for norOntair operations was \$945,000.

Mr. R. S. Smith: Does that include any other payments made by the provincial government to the carriers or to any other people, or is that the—

Hon. Mr. Rhodes: That is the total loss.

Mr. R. S. Smith: That is the total loss for the services provided last year?

Hon. Mr. Rhodes: Yes, for the reimbursement of deficits and operating costs to the private carriers who provided the service, \$945,000 last year. We estimate this year a total of \$986,000.

Mr. R. S. Smith: What about the capital investment? What does the capital investment amount to at the end of the last fiscal year?

Hon. Mr. Rhodes: The capital and construction costs last year were \$1,383,400; and for this year we anticipate \$1,626,000.

Mr. R. S. Smith: That is for norOntair?

Hon. Mr. Rhodes: That is misleading; that includes our airstrip programme as well. I'll get it for norOntair alone. There is no capital included in this. I would have to go to Mr. Clifford for that because it is provided internally by ONTC. They would have to give you the capital figures. We don't provide for it in this budget. It comes out of their operations.

Mr. Clifford: As of Dec. 31, 1974, there was \$2,928,000.

Mr. R. S. Smith: You say your loss was below \$1 million. Of that loss, what are you charging against your capital investment?

Mr. J. W. MacDougall (Engineering Claims Office): In 1974, there wasn't any capital charged because all the capital had been provided by the government. The Ontario Northland had no capital investment as such, so there was no depreciation to be charged off.

Mr. R. S. Smith: We are really talking about a larger loss than \$900,000. We are talking about the depreciation on the \$3-million capital investment as well, which you people aren't even mentioning. It is down here some place.

Mr. MacDougall: Those capital moneys were provided for in the 1974-1975 estimates in total.

Mr. R. S. Smith: In total?

Mr. Chairman: Mr. Smith, would you speak into the mike? I find it hard to hear you.

Hon. Mr. Rhodes: I don't think that is going to help anyway, it is just going to the table.

Mr. R. S. Smith: I don't know, it really doesn't matter if he hears me anyway.

So really, last year's estimated loss of some \$900,000 is not taking into consideration depreciation?

Mr. MacDougall: Some capital moneys for one airplane are in that amount.

Mr. R. S. Smith: In that \$900,000 loss of last year, there is capital moneys for one airplane. You purchased only one airplane?

Mr. MacDougall: Yes.

Mr. R. S. Smith: You purchased it at around \$600,000. It that what they cost?

Mr. MacDougall: It was only a portion of it, I believe. The operating loss last year was around \$600,000. The airplanes had been provided for in earlier budgets.

Mr. R. S. Smith: It is rather difficult for me, at least, to arrive at what the actual loss was, taking into consideration all the expenses, if expenses such as depreciation and so on are not considered. I find this rather hard to follow. I know if I ran a business—and I have run them, not to this extent or size—I always had to take capital loss, depreciation and this type of thing into consideration in my profit and loss statement.

Mr. Gilbert: Mr. Smith, you are saying the total aircraft bought since the beginning of the programme should be showing up as a deficit—pardon me, as a depreciation all the way through on this. You can appreciate, when we purchased the first aircraft, we were buying them through the ministry and the capital was provided in the estimates of that particular year. Of course, the assets were transferred over to ONTC when they took over the programme for us. From now on they are purchasing the aircraft, and the depreciation will be included.

Mr. Clifford: We purchased the last two aircraft. We have five aircraft now. The first three were purchased through the ministry, the last two were purchased by Ontario Northland.

Mr. R. S. Smith: By yourself?

Mr. Clifford: Yes.

Mr. R. S. Smith: But on your books you show all five?

Mr. MacDougall: Yes, that includes all five. At that point there were only four. The fifth one comes in 1975.

Mr. R. S. Smith: You haven't got it yet. Okay, so what is the total capital investment, including the one you have on order now?

Mr. Gilbert: If you can get the ONTC amount, I think we have the amount that we purchased. We can add to it.

Mr. MacDougall: Investments in aircraft, in spare parts, and this type of thing, will now be \$3.5 million.

Mr. R. S. Smith: What is the normal write-off on that?

Mr. MacDougall: We are using 10 years.

Mr. R. S. Smith: Ten years to completion. Yes, I suppose that must be what you are using. Are you using a straight 10 per cent per year, or a higher percentage that diminishes as you go along?

Mr. MacDougall: No, a straight 10 per cent per year.

Mr. R. S. Smith: There is a \$350,000 loss per year insofar as your write-off of your aircraft is concerned?

Mr. Clifford: There would be, if you were doing normal depreciation charges, yes. It would have been a net loss of about \$1.2 million or something like that?

Mr. Clifford: No, there were some depreciation charges in the net loss figures on the aircraft we had purchased.

Mr. R. S. Smith: The two you had purchased?

Mr. Clifford: No, the one.

Mr. R. S. Smith: Oh, the one you had purchased?

Mr. Clifford: We have two now.

Mr. R. S. Smith: Well, I had 300 instead of 350. This year you project your loss at less than \$800,000, is that correct?

Hon. Mr. Rhodes: No, \$986,000.

Mr. R. S. Smith: That \$986,000 is including the depreciation on all five aircraft.

Mr. Gilbert: Not on the last two, or pardon me, the first two.

Mr. MacDougall: The first three.

Mr. Gilbert: The first three.

Hon. Mr. Rhodes: You should add \$150,000, or \$200,000 to that.

Mr. R. S. Smith: So what is it you say?

Hon. Mr. Rhodes: Well, \$986,000.

Mr. R. S. Smith: Well, \$1.2 million again then.

Hon. Mr. Rhodes: All right.

Mr. R. S. Smith: This on the basis that most of those aircraft are leased to the operators, at \$1 a year or something like that? Is that still the *modus operandi*? All five aircraft are leased at \$1 a year to the operators. Who pays the insurance?

Mr. Clifford: The operator pays the insurance on the aircraft and the insurance is included in his bid as to what he estimates his operating expenses will be. You see, when the contracts were let out, the operators put in a bid of so much a mile for operating. The insurance charges were part of that expense.

Mr. R. S. Smith: I see. That's the way the bidding was done, on the deficit per mile?

Mr. Clifford: Yes, on three of the four operators that we have it was done that way.

Mr. R. S. Smith: The other one was done how? On a straight deficit for the year?

Mr. Clifford: A straight monthly payment, with the revenues exceeding a certain figure to be split between the operator and norOntair.

Mr. R. S. Smith: Is that the last one?

Mr. Clifford: No, that is the one at White River.

Mr. R. S. Smith: That is the first one?

Mr. Clifford: No, the first one really was what Bradley Air Services are operating now.

Mr. R. S. Smith: Oh, yes. They took over from White River.

Mr. Clifford: Yes, White River is just operating the Kapuskasing, Timmins and Sudbury segment.

Mr. R. S. Smith: The services that go from North Bay to Ottawa are operated by Bradley are they not? That's not a part of your service, is it?

Mr. Clifford: No.

Mr. R. S. Smith: But it is operated by Bradley?

Mr. Clifford: By Bradley Air Services.

Mr. R. S. Smith: On their own, without any type of assistance or help from you, and with their own planes?

Mr. Clifford: Right.

Mr. R. S. Smith: Not with yours or anything like that. Was it the intention of the ONR to try to get into that service or not?

Mr. Clifford: I think possibly the minister would like to comment on that.

Hon. Mr. Rhodes: I am sorry. I was looking at some figures and I didn't hear your last question.

Mr. R. S. Smith: I was talking about the operation of the service between North Bay and Ottawa, which is Bradley right now.

Hon. Mr. Rhodes: We have not entered into that service for the simple reason that the policy of the government at this stage is to confine this operation to northeastern and northwestern Ontario. There has been a request made by the carrier to operate the norOntair aircraft from North Bay to Ottawa, which I have refused. The norOntair aircraft could be used in northern Ontario. Until the policy changes, that's the way it has to stay.

Mr. R. S. Smith: Is it the expectation of the ministry and the ONR that the load factors will increase to the point where there will not be an overall loss. Or is it the intention—or prognostication may be a better word—that there will be a continual loss?

Hon. Mr. Rhodes: I think one of the things we can show—everything, I suppose, is relative to what the costs are going to continue to be—but just for your information we can start on some of the figures that show some of the growth here. In 1971, when the service started, it operated for three months—October, November and December—and it carried a total passenger load of 1,155. In 1972, for the full year, it carried 9,586.

Mr. R. S. Smith: Yes, but that's on more lines.

Hon. Mr. Rhodes: Yes, in 1973 it carried a total of 14,725 and in 1974 it carried 27,326. In the first two months of 1975, it carried, by month: January, 3,617—which is up almost 2,000 passengers over the same month a year ago—3,985 in the month of February—again up 2,200 passengers over the same month in the previous year. So if you want to project these figures through the months of 1975, we are continuing to show an increasing growth.

I agree with you that we have added service, which obviously is going to bring in more passengers. But even 1972, which did not have an added service—I guess 1973 was the first added service was it not? Was it 1973 or 1974?

Mr. Clifford: Actually in January, 1974, Kirkland Lake came on stream; in May, 1974,

it was North Bay, and October, 1974, is when the Kapuskasing-Timmins-Sudbury service came into effect.

Hon. Mr. Rhodes: Looking at 1973 and comparing it with 1972, which is basically the same year, it's the same service, we experienced an increase of 5,200 passengers. To ask when it is going to break even. I don't think I can even prognosticate that far.

Mr. R. S. Smith: I am not saying when it is going to break even. I wasn't trying to pin you down to a time.

Hon. Mr. Rhodes: Oh I know, you say "Will it ever?"

Mr. B. Gilbertson (Algoma): Certain lines will.

Mr. R. S. Smith: Certain ones will and certain ones won't.

Hon. Mr. Rhodes: I think we'll always have some sections that we'll be subsidizing.

Mr. R. S. Smith: Is it the opinion of the government and the ministry that the losses that are being suffered are worthwhile, insofar as the service is concerned? I looked at it and a guy like myself might think this is a great service and the \$1 million or \$1.2 million loss is not bad when you look at the services provided, particularly in northeastern Ontario. A lot of people do look at it and say that it's mainly servicing the business interests of the community and this is another method of subsidizing business interests. This kind of bothers me to some extent, and I think it bothers some people, though there are a lot of people it doesn't bother.

Hon. Mr. Rhodes: I must confess that in my experience with norOntair I have never received a letter criticizing the operation. On the contrary, most of the correspondence I've had has been from people who have appreciated the fact that the service was there. Those people who ride the service pay the regular air fares. As you know, there are no reduced rates of air fares. So we are operating it in that sense. Anyone who's travelling it is being offered a very convenient service, and I'm sure you'd agree it's now connecting together communities in northeastern and northwestern Ontario that ordinarily would never have been connected in any other way, except perhaps by road.

Mr. R. S. Smith: Perhaps never, sure, I agree with that. But I have travelled it to some extent—not regularly. I don't have to travel it regu-

larly because it doesn't hit my area in that way that I use—and I found that 90 per cent of the users, when I was on it anyway, were business people. I've had some people who have said to me it is just another way we're subsidizing business. On the other hand, you can also say that without business we are not going to have jobs, and this kind of thing.

Hon. Mr. Rhodes: I think part of the advantage of the service that I've found in some of the communities is that those very businessmen who are travelling from communities like North Bay, Sudbury, Timmins, the Soo and Thunder Bay now, are able to go in and perform a service that they are providing to these various communities a lot easier, a lot more effectively, a lot quicker. I think even if you take a look at many of Air Canada's runs, I would venture to say a very high percentage of the people riding that are businessmen or members of the Legislature.

Mr. R. S. Smith: Oh yes, they are about the only ones who can afford it now.

Mr. Stokes: I would like to remind Mr. Smith that it was the inaugural flight for norOntair Sunday past, from Fort Frances to the city of Thunder Bay. I'm told it was an excellent flight, and the only passenger on it was the member for Rainy River (Mr. Reid).

Mr. R. S. Smith: He's the only one who could afford it.

Hon. Mr. Rhodes: The inaugural flight? I'm surprised at that.

Mr. Haggerty: It is the only time an opposition member had a chance to cut the ribbon.

Mr. Martel: He was invited.

Mr. R. S. Smith: Did he pay his fare?

Mr. Chairman: Are you finished, Mr. Smith?

Mr. R. S. Smith: I just have one more question and this would be directly to the minister himself in regard to the commission. You have now appointed a temporary chairman. How long do you expect to operate in that way, or will Mr. McChesney be made permanent chairman, and when will a permanent chairman be appointed?

Hon. Mr. Rhodes: I can't tell you when, because that is a decision that will be made at cabinet, primarily by the Premier. I have recommendations that I have made to the Premier as to what I think should happen with the appointment of a chairman in due course. I

am not trying to evade it because I think we should have a permanent chairman appointed. I think an announcement will come in the very near future as to who will be appointed chairman.

Mr. R. S. Smith: All right. Can you give me some kind of assurance that it won't be from within this place?

Hon. Mr. Rhodes: If you are referring to within this room, I can guarantee it will be nobody from this room that I have recommended, anyway.

Mr. Evans: I had a promise, though.

Mr. R. S. Smith: Gee, there are three or four guys over there who are pretty disappointed.

Mr. Gilbertson: Mr. Chairman, I have a problem.—

Mr. R. S. Smith: Five. There is another one there. You are lucky he is no longer chairman, he'd rule you out of order.

Hon. Mr. Rhodes: I don't know what the Premier will do. I am simply saying to you that I have not recommended anyone within this room for that position.

Mr. Evans: You disappoint me.

Mr. R. S. Smith: Let's put it this way, is there any member of the legislative assembly recommended? Can you assure us that there won't be a member of the legislative assembly as chairman of the ONR?

Hon. Mr. Rhodes: I can't give that assurance because I don't make the final appointment. I can assure you there are at least 40-some-odd members I know won't be. I could go as high as 60 because I am sure no member of cabinet will be appointed either.

Mr. R. S. Smith: If you wait until the fall—

Mr. Martel: Oct. 23.

Hon. Mr. Rhodes: It may not be.

Mr. R. S. Smith: If you wait until the fall there may be a drastic change in those people you are talking about.

Mr. Martel: Some people won by less than 1,000, you know.

Hon. Mr. Rhodes: Could very well be, not me.

Mr. R. S. Smith: Some people won by less than 35 or 40. Don't get insulted.

Mr. Chairman: We'll settle the election on election day, fellows.

Hon. Mr. Rhodes: There is nothing wrong with losing with less than 1,000, or winning with less than 1,000.

Mr. R. S. Smith: There is nothing the matter with it at all.

Hon. Mr. Rhodes: Nothing wrong at all.

Mr. Chairman: Are you finished, Mr. Smith?

Hon. Mr. Rhodes: In all seriousness, I can say to you that I don't make that decision. I can't say to you it's not going to be a member of the Legislature, or who it is going to be. I know what my recommendation has been, I am not at liberty to tell you what it is. That will be a decision that will be made at cabinet.

Mr. R. S. Smith: I think most people in northern Ontario have come to the conclusion that it's time we had more thought put into appointments on the commission, and it's time the commission was given perhaps a little more—

Mr. Haggerty: Leeway.

Mr. R. S. Smith: No, not leeway, but a little more prestige in the community by attracting to it those people who are true community leaders in northern Ontario, particularly in northeastern Ontario.

Hon. Mr. Rhodes: I can't speak as to the community leadership capabilities of the present members of the Ontario Northland, I don't know the gentlemen that well. But some whom I do know, I think most people in their own communities would look upon as having some stature in the community.

Mr. R. S. Smith: I don't doubt that at all. Some of the present members.

Hon. Mr. Rhodes: I am thinking of the present commission: Mr. Carr, Mr. McChesney, Mr. Hollingsworth. I know these three gentlemen. I think they are community leaders.

Mr. Chairman: In all fairness, I think the minister has explained that he can't make the appointment.

Mr. Evans: It is a profitable organization.

Mr. R. S. Smith: Oh, it is losing money hand over fist.

Mr. Evans: Is it?

Mr. R. S. Smith: He was talking about his loss.

Mr. Chairman: Are you finished, Mr. Smith?

Mr. R. S. Smith: Hydro is making money. Yes, I am finished, Mr. Chairman.

Mr. Chairman: Mr. Ferrier.

Mr. Ferrier: I think we all recognize that the commission is mainly a senate of northern Ontario for the Conservative Party.

Mr. Laughren: Senate?

Mr. Martel: Right on.

Mr. Ferrier: It will be appointed Conservatives who are on the board if the Conservatives are in power.

Mr. Evans: I agree with that.

Mr. Ferrier: There is one man who probably could do a very creditable job and would run the railroad, I would think, quite competently. I often wonder why he was never appointed before. Perhaps he doesn't want it.

Mr. Laughren: I turned it down.

Mr. Ferrier: I often wonder why Wilf Spooner was never appointed to that job, because I think the man would do a very capable job in that capacity. But maybe you are thinking of him.

Interjection by an hon. member.

Mr. Ferrier: I agree with you he would do a much better job than the one who is acting there now.

Mr. Martel: You want to kick the hell out of him twice.

Mr. Ferrier: I don't propose to comment very much on that score.

I would like to get some assurance on the record. We've had a long-time debate going on in the community about the removal of the rail track and the subway into Timmins. To the credit of the chairman of two months, the member for Timiskaming (Mr. Havrot), I understand he made a statement to the effect that the railyards would remain where they are and that the ONR was prepared to co-operate with the city. He stated that the restructuring of the subway into Timmins and the passenger service between Timmins and Porquis Junction would not be terminated but will continue.

I think that was a very good piece of action, by that chairman. I would like to have some assurance that the decisions that were made to that effect are, in fact, going to be upheld and you will proceed on that basis. Can I have

the assurance that that, in fact, was passed and you will proceed to honour the commitments that he made?

Hon. Mr. Rhodes: I am not too sure that you are correct in saying he referred to the passenger service. I think he did refer to the freight service.

Mr. Clifford: As I recall the statement, he said we would not pull out our facilities in the core of Timmins, unless the city of Timmins itself wanted it to be relocated. That wasn't the indication that we had. He said we would work with all the various authorities in expediting the subway construction. To the best of my knowledge, he did not mention there would be no withdrawal of the passenger service from Timmins to Porquis Junction at some future date.

Mr. Ferrier: But you are not planning on cancelling that out in the next year or so?

Mr. Clifford: Not at the moment. No.

Mr. Ferrier: You have, more or less, reversed the decision that you were working upon a couple of years ago. I know the rail workers themselves had formed a committee to keep the trains going from Timmins to Porquis Junction. They felt that, on the basis of the statement by the chairman, they no longer needed to be a committee and were going to disband. Perhaps in a year or two circumstances will indicate differently. I hope not.

Mr. Chairman: Could we just have it a little quieter? We find it difficult to hear.

Mr. Stokes: Yes. Conduct your caucus meetings outside, eh?

Mr. Laughren: Come on, Kennedy.

Mr. Ferrier: I am afraid that some of the—I'll button my lip and not say that.

The thing that had been discussed at a northeastern Ontario municipal association meeting is this LRC train to run between Hearst and Toronto. I brought it up here a couple of times to the minister. It has been one of the chief planks of the action group's programme and I know two of the action group are on the commission. The minister says we don't have operating rights between North Bay and Toronto so we can't do anything about it.

I often wonder why, when that was not such a profitable line for the CN, the ONR didn't take it over. I think that was considered when Stan Randall was Minister of Trade and Development or whatever he was. I think you should be making representations to the federal

government, or through the CNR, to get running rights on that piece of track for an LRC train. As I understand it, the train will go at 120 miles an hour, or some accelerated speed like this, and the trip, between Hearst and Toronto, can be six hours or something like this.

Hon. Mr. Rhodes: I can tell you, if you want to go 120 miles an hour on that track, right now, you be my guest.

Mr. R. S. Smith: The member can go himself.

Hon. Mr. Rhodes: You'd get somewhere all right but it won't be Toronto.

Mr. Clifford: The right of way—the track—both on the Ontario Northland and the Canadian National, are not built for speeds of 120 miles an hour. Sure, the train itself is capable of going 120 miles an hour, but the track sure as hell won't take care of it.

Mr. Ferrier: Would you have to rebuild the track completely?

Mr. Clifford: You would have to rebuild the tracks almost completely to handle trains at that particular speed. Not on the tangent track; on the tangent track you can go 95 to 100 mph now, but when you're starting to hit the curves you've just got to slow down. Our line from North Bay to Timagami is 60 miles and you've got nothing but curves. You're winding around lakes and there's no way you're going to be able to speed that train up in the 60 miles north of North Bay. In the 60 to 80 miles south of North Bay, from North Bay down to Huntsville, it's the very same; tough grades and nothing but curves getting around the lakes.

Mr. Martel: Can I say something?

Mr. Ferrier: Are you saying, then, that we are deceiving ourselves into thinking that this is a possible solution to our passenger transportation problems?

Mr. Clifford: No, I don't think you're deceiving yourselves. I think people have the erroneous idea that if you have equipment that'll go 120 mph all you have to do is put it on the track and away you go. You just can't do that.

I mentioned earlier to Mr. Smith that we have a set of specifications for passenger equipment today which, I guess, is based on the best of what is known in the industry today. It looks at the good points of the LRC train, which as you know, the action group is proposing. It looks at the best points of the Futura train, which is another consortium in opposition to

the LRC, and it looks at the best features of the Turbo train. Despite all the problems that Canadian National had with the Turbo train for three years, it has operated at about 99 per cent efficiency and capacity in the last year. They've got all the bugs out of the Turbo.

The set of specifications which is now available has tried to incorporate all the best features known on those three things. We are in possession of those specifications.

Mr. Ferrier: Are we sort of stuck forever and a day, then, with that trackage from Huntsville through to Timagami as being sort of a deterrent for a rapid passenger service into the northeast?

Mr. Clifford: I don't know if you're deterred forever.

Mr. D. M. Deacon (York Centre): Until the federal government takes over those roadbeds and brings them up to 1975 standards instead of 1875 standards, we are.

Mr. Gilbert: As the minister mentioned the other day, we know that the federal Minister of Transport has talked with the CNR and the CPR, and they agree completely with what Mr. Clifford is saying; and that is, one of the biggest problems in Canada, of course, is the track.

Mr. Deacon: Those roadbeds shouldn't be owned by the CP or CN. They should be owned by the government, just as the roads are, and brought up to modern standards where anybody who has the equipment and the qualified operators can run on them.

Mr. Gilbert: We understand that the CN and CPR have put a proposal to the Minister of Transport, and, quite frankly, we are unaware of what the proposal is, but we know that it is right now a current discussion between the CNR, the CPR and the federal Minister of Transport. But you're quite right; all across Canada one of the biggest problems is the roadbeds.

Mr. Martel: I came down on the train recently, and its running time is no faster now, with the modern equipment, than it was with the steam engine during the time of the Great War, 1939-1945. In fact, the running time now is exactly five minutes shorter to Ottawa than it was during the war, with all of those trains, the CTC, and dieselization where you don't have to stop and shake down the fire and the whole business. Here we are, sitting here purchasing heavy, costly equipment, longer cars, 95-ft cars; what are we doing? You've cut

back the track crews, as the CNR has done, as the CPR has done. You've got three-man crews for 20 miles and those used to be for six. You're operating with the finest of equipment and playing a game with the track bed that's so far out of date that it's not even funny. What in the hell are we doing?

Mr. Chairman: Mr. Martel, we don't run the CP and the CN.

Mr. Martel: Well, we do run the ONR.

Mr. Chairman: In all fairness, Mr. Ferrier has the floor.

Mr. Martel: In all fairness I'm talking to exactly what other people have done all evening, they have interjected when they wanted to make a point.

Mr. Chairman: No, they haven't. They've been pretty fair, and in all fairness, your colleague has the floor here.

Mr. Martel: You're operating in the dark ages.

Mr. Ferrier: Maybe, Mr. Chairman, I could finish my remarks and then the member for Sudbury East could carry on.

Mr. Evans: Let your colleague finish.

Mr. Martel: You're operating in the dark ages. It's about time somebody told you.

Mr. Chairman: He is not on the list yet and if he wants on he should indicate.

Mr. Gilbertson: He is not a member of the committee either, and he is not substituting for anyone.

Mr. L. Maeck (Parry Sound): He is not even a substitute.

Mr. Ferrier: Mr. Chairman, I wonder if I could get through this babble of voices and make the odd point—

Mr. Chairman: Order, please.

Mr. Ferrier: —and then I could disappear and some of the others could make their presentations.

An hon. member: Why don't they disappear instead?

Mr. Ferrier: I understand there have been some changes on the Polar Bear Express this year. The train is to leave earlier than the train arriving from Toronto to look after the tourists, and it is to come back a different way. Some of the local people in Moosonee, as I under-

stand it, will not be able to ride that train. They won't be provided with that kind of service. They are the people who, year in and year out, are served by the ONR on that line, and depend on the ONR for transportation in and out of their community. They feel they are going to be relegated to another train. I don't know whether it runs two or three days a week or something, or they have to get on a back coach some way or other.

They are the ones who are getting the dirty end of the stick from this change. It is going to help the tourists a great deal, but the local residents are going to be a lot worse off. You surely must have heard this complaint. What are you going to do about it, or have you already done something about it?

Mr. Clifford: In the first place, the local residents in Moosonee are going to be allowed to ride the excursion. I don't know where you got the information that they weren't, but they are going to be allowed to ride the excursion. The one thing you did mention that was correct was that there will be no connection with the excursion for the train arriving from Toronto. That was a recommendation made to the commission by the management people, and the commission agreed that this coming summer there would be no connection.

We found out last year, with the problems on the excursion and the delays that we were experiencing in having the excursion waiting on the train from Toronto, you were having 500 or 600 people on the train waiting for the connections of maybe 10 people on that trail. It just got to an unbearable point and we decided for this year we would experiment and not make connections with the train. There will be a sleeper bus operating out of Toronto which will make a connection with that train. The number of people who used the train out of Toronto to go to Moosonee on the excursion last year, I think averaged out about between 10 and 15 per trip.

Mr. Ferrier: Will you have a local service?

Mr. Clifford: There is a local service. The regular train from Cochrane to Moosonee, which operates three days a week, will continue; that operates 12 months a year.

Mr. Ferrier: Is there any dining car on that?

Mr. Clifford: Oh yes, sure, there is a dining car on that. The excursion is an adjunct to it. The excursion goes on just from June 15 to Sept. 4 on a daily, except Friday, basis.

Mr. Ferrier: On that Polar Bear Express, I noticed when I went up there last year that

there was very little information being conveyed to the passengers waiting to get on coaches. There didn't seem to be anybody from the railway passing information on to passengers. There may have been a couple of hundred of us waiting there, not knowing what was transpiring.

Mr. Clifford: This year at Cochrane we have a PA system and we have appointed a co-ordinator to co-ordinate all the activities of the excursion for this forthcoming summer. He will be stationed right in Cochrane.

Mr. Ferrier: I think that is well warranted, and I am glad to see that you have made an effort to provide a little more information, because it is a big tourist attraction. This is one of the highlights of the vacation for a lot of people and I think you should try to give them as much information and make the trip as enjoyable as you possibly can.

I don't want to rehash the whole matter of the freight rates and that kind of thing, but the Foley report that was prepared by Kirk Foley on all kinds of transportation in northeastern Ontario was one of the bases that you went into this programme on, and you never made that available to us in the opposition. The member for Armourdale (Mr. Carton) said he was going to, but he never did. We had to guess what alternatives were made there.

As far as the norOntair service is concerned, how long do you anticipate it will be until Iroquois Falls and Cochrane will be routes on norOntair?

Mr. E. J. McCabe (Director, Project Planning Branch): First of all I should say this is a report from northern Ontario. It was based on providing service to the communities in conjunction with the TEIGA plans for development of northern Ontario. Iroquois Falls was not included in this. Cochrane is, but it is in one of the latter stages.

Mr. R. S. Smith: Which TEIGA plans are you referring to?

Mr. McCabe: It's a Design for Development plan. Our development of northern Ontario plan. Our plan for norOntair complements that.

Mr. Ferrier: Maybe if those communities are away down the list, you should accede to the request of the Smooth Rock Falls people, or somebody up there, and build that road a little more quickly, since the other form of transportation isn't going to be available.

Did the fares of norOntair go up last week the same as the fares for Air Canada?

Hon. Mr. Rhodes: Yes, we are obliged to abide by the fare structures of the carriers. One of the reasons for that, of course, is that we are tied in with the reservation system and we inter-line with the other carriers. I stand to be corrected, because I am not totally familiar with that aspect of it, but it seems to me that when you are licensed—as our carriers, are by the CTC—you are obliged to meet the fare schedule that is laid down, however they arrive at it, by distance and this sort of thing, between communities.

There is one point I want to make very clear about norOntair. Understand that all that the Ontario Northland is, is a name. The only duty it is performing, in conjunction with the ministry, is in an administrative capacity. They are not the licensed carriers and cannot be. The CTC will not license the Province of Ontario nor will they license the Ontario Northland Transportation Commission. We basically act as a co-ordinating body to bring together these private carriers. Then we get involved with the flying of aircraft and leasing them and setting up the Reservac system through Air Canada and reservations through Transair. NorOntair itself is the name of a system that is being operated by a variety of private carriers, as I think you know.

Mr. Ferrier: Well, did you make any intervention, before the CTC, against the fare increases that all these airlines went after? You know, we are getting hit with higher and higher fares. They just increased, in the last year, at least twice. They are going up all the time. Is there any protection for the traveller or are we at the whim of the CTC and what they decide? Is that it?

Hon. Mr. Rhodes: We did not intervene on that, no.

Mr. Ferrier: I wonder if you might give some consideration, in the ministry or in the ONTC, to taking a look at the cost of air travel in the north. The service that you are providing now, has been accepted by the people of my region. They are very happy with it. I get very good response from people about it. But if the price keeps going up and up, it's going to deter people from using the very good service that's there. I am wondering if you might not look at this question, and see if there is any way of coming to grips with it.

If we are at the mercy of these oil companies and oil provinces, we are always going to be pushed up and up in fares, supposedly because the price of fuel is going up. I would like to see something coming from the ministry to see if there's any way of stabilizing the in-

creases and not letting them go on every six months or so.

Hon. Mr. Rhodes: I suppose Ontario could have intervened, as could have all of the provinces, because the air fare increases were not confined to any one particular area. Air fares charged in northern Ontario are one of the rare things that are not higher than in other parts of the province or other parts of the country. The fares are the same all over. I'm suggesting they are not too high, because I know the increases just to fly back and forth from my community to Toronto in the last 3½ years have been substantial. I'm sure you've experienced the same in your own community. I think it was around \$30 one way and it's now up to \$44. So it has been substantial.

Mr. Ferrier: I'm just thinking if the federal government isn't going to step in, maybe we are going to have to see if there is some way we can look after or protect the travellers in northern Ontario and the whole province.

Hon. Mr. Rhodes: We can intervene, but I can tell you that our experience in intervening has not been what you would call the greatest track record of intervening at the CTC. From trying to enforce the Lord's Day Act to Bell Canada rates, we have not exactly been winners.

Mr. Ferrier: Some of those federal bodies apparently make up their minds ahead of time and you just go through the motions. There is hardly much use in going through them. I don't want to take up any more time. That's all I have.

Mr. Haggerty: The same thing applies here.

Mr. Chairman: Mr. Laughren.

Mr. Martel: Briefly, I can finish up with—

Mr. Chairman: The member for Nickel Belt's name was down.

Mr. Laughren: Yes, thank you, Mr. Chairman.

Hon. Mr. Rhodes: Mr. Chairman, Mr. Martel is continually interrupting his colleagues. They are two fine gentlemen, the one who has spoken and the other who wishes to speak.

Mr. Chairman: And his whip wants to speak in a little while, so I think you should have a talk with him maybe.

Mr. Martel: Who wants to speak? The whip?

Mr. Chairman: Carry on.

Mr. Laughren: I hope I am on the right vote. The minister dazzled this country boy from Nickel Belt when he was talking about the different votes in the beginning. But I think anything to do with the ONR is in order, including communications.

Hon. Mr. Rhodes: In the ONR, yes indeed.

Mr. Laughren: There were a couple of things that bothered me. One is some of the announcements you have made on the provision of communication services to the far north in Ontario, which seemed to me to be the right thing to be doing and the right direction to be moving in. At the same time, you neglect the community in the mid-north, and you know which community it is.

Hon. Mr. Rhodes: It is Shining Tree.

Mr. Laughren: It is Shining Tree, the capital of the north.

Hon. Mr. Rhodes: I think Mr. Clifford might be able to give you some information on Shining Tree.

Mr. Laughren: I'd sure appreciate it.

Mr. Martel: Obviously, he didn't want to.

Mr. Clifford: No, the provision of the communication services to Shining Tree will be included in our calendar-year 1976 budget.

Mr. Laughren: You've backed up another year.

Mr. Clifford: No, we didn't back up another year. It was deleted from the 1975 capital budget. When I say 1975 capital budget, that's the one we are into right now.

Mr. Laughren: That's what I mean.

Mr. Clifford: We are halfway through our 1975 budget.

Mr. Laughren: It was promised this year.

Mr. Clifford: I don't think it was promised. I don't think the minister promised that. You can correct me if I'm wrong, but I don't think the minister came out and promised it for 1975.

Mr. Laughren: He shakes hands with his left hand. I'm not sure how you regard a promise from the minister.

Hon. Mr. Rhodes: There is nothing wrong with shaking hands with the left hand. That's the Boy Scout way.

Mr. Laughren: The bootleggers and the Boy Scouts.

Mr. Chairman: I wonder if you could tell us where Shining Tree is.

Mr. Laughren: Shining Tree is the capital of the north.

Hon. Mr. Rhodes: The hon. member made a comment. He said bootleggers and Boy Scouts. Well, I was a Boy Scout. Are you the bootlegger?

Mr. Laughren: I certainly am. I provide services to the north that you don't.

Mr. Ferrier: That's not saying too much for the minister.

Mr. Martel: He sells maple syrup.

Mr. Chairman: Order, please.

Mr. Maack: That is an important point. Make a note of that.

Mr. Laughren: It certainly is. It's part of my election platform in 1975.

Hon. Mr. Rhodes: I trust that this will go to the Solicitor General (Mr. Clement).

Mr. Laughren: I don't care if it goes to the Solicitor General, as long as it's before the member for High Park (Mr. Shulman) gets the job.

Mr. R. S. Smith: You don't have to worry about that.

Mr. Laughren: I really don't understand how you can provide these services to communities in the far North and you continually ignore a place like Shining Tree. It's not just that you are ignoring Shining Tree; it's the fact that the private sector—in this case Northern Telephone—agreed to provide the exchange at a considerable cost to themselves; it would be a losing operation for them, and they were prevented from putting in the service because the communications section of the ONTC said, "No, we can't find the money in our budget." At the same time they are making all these grandiose statements for the far north communities.

I think you have done a great disservice to the people in Shining Tree. I wonder if the minister could make some kind of statement as to why he would go ahead with this programme for the far north while leaving out a place in the mid-north.

Hon. Mr. Rhodes: I think I'll let Mr. Clifford respond as to Shining Tree. I can tell you why—

Mr. Laughren: It's window dressing that's why.

Hon. Mr. Rhodes: It's not window dressing at all. I suggest to you that in the far north it is a much different type of service we are talking about.

Mr. Laughren: Right.

Hon. Mr. Rhodes: We are talking about satellite service; we are talking about basic telephone service into these remote communities.

Mr. Laughren: It's more high profile and has more appeal to the public. It looks better on a press release and in a statement but at the same time you are ignoring a community which is probably just as large as some of those communities you are servicing in the far north. Let's go over to Mr. Clifford.

Mr. Clifford: I think when you look at your capital budget you have to look at your priorities. For the year 1975, I will be very blunt about it, we just did not have the funds to carry out all the capital projects we wanted. In the communication field we had about \$2.5 million worth of capital projects we wanted to do which were on a priority basis. Shining Tree was one very close to it; Timagami Lake was another one; the Martin River area is another one. These will be going into our 1976 budget. When you are cutting back on your budget because of lack of funds you lift your priorities and those were low down on the priority list. I'll be very honest with you.

Mr. Laughren: But we do have a commitment for 1975-1976?

Mr. Clifford: All right. In what we call our 1976 capital budget, we will be ordering the equipment in the fall of 1975 and start the commencement early in 1976.

Mr. Laughren: When do you think the service will actually be available to the people in the capital of the north?

Mr. Clifford: I think you are talking about the fall of 1976. That's a ball park figure because I am not too sure how long it will take to get the material. It may be longer than that.

Mr. Laughren: Do you have any assurances that exchange will be available then, because it was available to you at one point? It was exchange which was not being used.

Mr. Clifford: Do you mean from Northern Tel?

Mr. Laughren: Yes.

Mr. Clifford: I assume Northern Tel is still ready to go ahead with it, as far as I know. I can check on it.

Mr. Laughren: Would you?

Mr. Clifford: Yes.

Mr. Laughren: I had correspondence with them and they indicated at that particular moment in time they had what they call an exchange ready to move in there.

Mr. Clifford: Yes, in the area we serve Northern Tel does the local exchange work with a toll system.

Mr. Laughren: Right. I assume you would not let that stop you providing the service?

Mr. Clifford: If Northern Tel backed off and said they would not provide the exchange facilities, we have to make some kind of an arrangement with them to do the exchange facilities ourselves.

Mr. Laughren: You would do that, would you?

Mr. Clifford: The understanding with Northern Tel and ourselves is they do the local exchange and we do the toll business. This is the understanding in that area.

Mr. Laughren: Okay. I assure you we will be watching the calendar very closely on the progress you are making.

I wanted to raise one other point, Mr. Chairman. I am a fan of the norOntair service in northeastern Ontario.

Hon. Mr. Rhodes: Small airplanes.

Mr. Laughren: Small airplanes, yes. I have even heard it called the kamikaze airline where every landing is a controlled crash, but that's not my experience.

Hon. Mr. Rhodes: It's excellent.

Mr. Laughren: I have had very good service with them. There is one schedule you are going to be introducing this summer and that's to Chapleau. I think the first service is going to be in July or August.

Mr. Clifford: On July 5 it's supposed to be coming onstream.

Mr. Laughren: I would like to take issue with the route. I believe it is a route between Sault Ste. Marie, Chapleau, and I am not sure of the next stop.

Mr. Clifford: Timmins.

Mr. Laughren: Timmins? I think the route should have been between Chapleau and Sudbury, not because I live in the Sudbury area

but because I think that's where you have your best connecting routes with Air Canada. Chapleau also is in the Sudbury administrative district. The Ministry of Community and Social Services is putting in an administrative office in Chapleau and you are going to have a fair number of government people going back and forth between Chapleau and Sudbury. You would have more if you had a direct service. As well, there are mining interests in the immediate Chapleau area and I think you are going to have traffic from Toronto to Sudbury to Chapleau as well. I think the best route would be a direct connection to Sudbury.

Mr. Stokes: Service centre.

Mr. Laughren: Service centre, yes.

Hon. Mr. Rhodes: Mr. Laughren, I would like to suggest that we take a look at that. I must say that makes some sense to me, tying Chapleau into Sudbury and Sault Ste Marie, more so than through Timmins because of some of the points you have made.

Mr. Clifford: I think, Mr. Minister, the idea of setting down at Chapleau is that we now have a direct flight from Sault Ste. Marie to Timmins. It's flying right over Chapleau now.

Mr. Laughren: Well, I understand that.

Mr. Clifford: It's just a matter of setting down at Chapleau and getting that extra business.

Hon. Mr. Rhodes: I am sure they prefer to go to Timmins anyway, but—

An hon. member: They prefer to go to Sault Ste. Marie.

Hon. Mr. Rhodes: Well, coming back the other way.

Mr. Clifford: No, actually I think you will find your flying time, say, from Toronto to Chapleau via Sault Ste. Marie instead of Sudbury is only going to be 10 or 15 minutes more.

Mr. Laughren: But that is not true.

Mr. Stokes: It's a question of the traffic pattern.

Mr. Laughren: It's not true either that if you are flying from Sudbury to Chapleau or reverse, it is only 10 or 15 minutes if you have to go to the Soo or Timmins first. There is a big difference in time.

Mr. Clifford: What I am trying to get at is the flying time, Toronto to Sudbury by Air Canada, and Toronto to Sault Ste. Marie if

you are talking to people oriented into Sudbury from Chapleau.

Mr. Laughren: Right, rather than Timmins or the Soo.

Hon. Mr. Rhodes: I would suggest that as far as connections with Air Canada to fly to Toronto are concerned, whether you are going to Sudbury or to the Soo is not going to make any difference.

Mr. Laughren: There are five flights from Timmins as well. I accept that, but I think, more importantly, that the centre to which people from Chapleau gravitate is Sudbury, both in an administrative and in a business sense. I think you should take another look at that.

Hon. Mr. Rhodes: We will take a look at it.

Mr. Clifford: We will take a look at it.

Mr. Laughren: You reassure that, Mr. Minister, but I would rather have it from Mr. Clifford.

Mr. Clifford: But I think it is scheduled to go into effect on July 5.

Hon. Mr. Rhodes: I say it is going to be looked at. I don't care what Mr. Clifford says.

Mr. Laughren: You are getting a little sensitive, since the member for Timiskaming started making decisions for the ONR.

Hon. Mr. Rhodes: I tell you we will take a look at that, unless you are opposed to it. If you would rather I not look at it—

Mr. Laughren: I wouldn't have raised it if I were opposed to it.

Hon. Mr. Rhodes: I told you some time back that I was quite prepared to look at it.

Mr. Laughren: I know, but I hope it will be a serious look.

Hon. Mr. Rhodes: Absolutely.

Mr. Clifford: Mr. Minister, if I might just mention, July 5 is a pretty close deadline. The way the schedule is set up it will be going from Timmins, Chapleau, Sault Ste. Marie. Chapleau will be served by that. I will be very honest with you, I don't know if we can change that over by July 5. We would have to look at it but it might have to be done in the fall.

Hon. Mr. Rhodes: We may have to start it then, yes.

Mr. Laughren: You could also take some surveys once they start flying that route.

Mr. Gilbert: I think you have to keep in mind that all of these services were set up on the basis of what traffic patterns are.

Hon. Mr. Rhodes: There is another factor that perhaps already has been looked at, but is there a licensed carrier now running between Chapleau and Sudbury? If so, are we of a mind in trying to get a licence through there?

Mr. Laughren: No, there is nobody; a couple of bootleg pilots.

Mr. Martel: Natural Resources.

Mr. Haggerty: You may require another aircraft.

Mr. Chairman: Mr. Haggerty.

Mr. Haggerty: Yes, Mr. Chairman. Are there any special rates given to the industry in north-eastern Ontario?

Hon. Mr. Rhodes: Freight rates?

Mr. Haggerty: Yes.

Hon. Mr. Rhodes: I don't know that.

Mr. Clifford: Any specific industry?

Mr. Haggerty: Well, take any of them up there—the mining industry. Is there any special rate that all are given?

Mr. Clifford: There are all kinds of special freight rates; you get into what they call "agreed charges." All railways have agreed charges where the customer agrees to ship all of his tonnage, or a certain percentage of his tonnage via you. We have agreed charges for Texasgulf, taking their concentrates out of Kidd over to Rouyn-Noranda.

Mr. Haggerty: Are they exported to the States at all? Is there any special rate given there?

Mr. Clifford: There are no agreed charges into US points. No.

Mr. Haggerty: There are no reduced rates at all then, are there? In other words, your programme is to encourage the secondary development within that region, is it?

Mr. Clifford: As much as possible, yes.

Mr. Haggerty: By having higher freight rates, then?

Mr. Clifford: No, it is not. It depends a lot, Mr. Haggerty, on what specific type of traffic you are referring to.

Mr. Haggerty: My reference is that, hopefully, you are not reducing the freight rates there for any material that is being exported to the United States.

Mr. Clifford: No, certainly not.

Mr. Haggerty: The point I raise is that, I think, we should encourage secondary industry in that area. I suppose the point is if you give them preferred structure rates or lower rates, they would be exporting it all to the States.

Mr. Clifford: When you are talking about rates to the States you get involved with maybe five or six different railways in setting a rate from, say, around the Timmins area to Texas-gulf and down to St. Louis, Mo., for example. There is lots of traffic going down that way. You have about five or six railways involved, and you have to work with all of them in agreeing upon what they call the "through rate." And each railway takes a slice of that.

Mr. Haggerty: I was just wondering, because I happened to see the other day at Fort Erie two or three of the box cars, I guess—

Mr. Clifford: Of the Ontario Northland you mean?

Mr. Haggerty: —heading that way, I thought perhaps you are loading up with, not refined concentrate, and heading for the States or something.

Mr. Clifford: Our cars will go anywhere we can ship the traffic.

Mr. Haggerty: Do your buses travel to the United States at all?

Mr. Clifford: Yes, on charters they do.

Mr. Haggerty: On charters: What type of bus would these be?

Mr. Clifford: They are the latest type of inter-city bus. Normally a 47-passenger bus; washroomed, air-conditioned.

Mr. Haggerty: Where would they be heading for? Any particular place?

Mr. Clifford: Well, for example, out of North Bay we set up 16-day Florida package tours. This kind of thing.

Mr. Haggerty: That is the question I was going to ask you. What were the buses doing down in Florida? I couldn't figure out why

they were sitting down there, they tell me for two or three weeks at a time.

Hon. Mr. Rhodes: What were you doing down in Florida?

Mr. Haggerty: I wasn't down in Florida. I can't afford it.

Mr. Clifford: They are not sitting down there. They are on a charter.

Mr. Haggerty: They are on a charter. I was just wondering why they were there. It was brought to my attention a couple of weeks ago. What on earth were these buses doing down in Florida?

Mr. Clifford: The charter business is the lucrative part of the bus operations.

Mr. Haggerty: How successful is the run from Toronto to, say, North Bay and that area up there?

Mr. Clifford: Toronto to North Bay is handled by Gray Coach. That is a Gray Coach operation. We only operate scheduled runs north of North Bay.

Mr. Haggerty: I see the sleeper down here at the bus terminal.

Mr. Clifford: That is what we call an inter-line operation. They are our buses, but it is a Gray Coach operation from here to North Bay. Our operation is from North Bay to Timmins. The buses go through North Bay as a convenience to passengers.

Mr. Haggerty: What do you mean? They use your buses down here then, do they?

Mr. Clifford: Conversely, we use Gray Coach regular buses in our territory between North Bay and Timmins. All you do is equalize mileage. You just get better utilization out of your equipment, and you give passengers a more convenient service by operating the bus through.

Mr. Haggerty: Those are all the questions I have.

Mr. Chairman: Mr. Stokes.

Mr. Stokes: Mr. Clifford, I can tell, by some of the lingo that you use, that you are indeed a railroader. What is your total loss on your railway operation?

Mr. Clifford: For 1974 our total operations produced a profit of \$820,000. I have to qualify that with subsidies that were received from the government. One of the subsidies

was the passenger subsidy that we were talking about earlier. When I say \$820,000 that includes the operation of our bus operations, our communications—which is a fairly profitable operation—our hotel, restaurant and Star Transfer. That is for the total commission operations, say excluding norOntair and the Owen Sound Transportation Co.

Mr. Stokes: What was your total railway loss?

Mr. Clifford: Just rail operations?

Mr. Stokes: Strictly rail.

Mr. Gilbert: Freight and passenger?

Mr. Stokes: No, break it down. Give me freight and passenger.

Hon. Mr. Rhodes: The passenger operation has experienced the loss we told you about, Mr. Stokes. The \$3,440,000 is the estimated passenger loss for this year. That is what is in this particular vote 2305.

Mr. Clifford: In our rail services, Mr. Stokes, we lost \$105,000 in 1974.

Mr. Stokes: That is your freight loss?

Mr. Clifford: Freight and passenger loss.

Mr. Stokes: Why would you get a \$3.4 million total loss?

Hon. Mr. Rhodes: I believe that figure includes as revenue the \$3.4 million that we classed as a loss. We have shown it as a deficit financing subsidy.

Mr. Stokes: No, let me break it down. How much did you lose on your passenger service in 1974?

Hon. Mr. Rhodes: As I said, \$3,440,000.

Mr. Clifford: That is not on the main-line passenger operations. That is the main-line passenger operations and the Moosonee branch operations.

Mr. Stokes: That is your total operating loss for the year 1974?

Mr. R. S. Smith: For passenger operations.

Mr. Clifford: Yes.

Mr. Stokes: All right. What percentage of that loss in passenger service can be attributed to your regular passenger operations, as opposed to the operation of the Polar Bear Express?

Mr. Clifford: Well, when you say the Polar Bear Express, if you are talking about the operation of the excursion itself for the summer months, that operated at a profit last year.

Mr. Stokes: That actual excursion?

Mr. Clifford: The actual excursion operates at a profit.

Mr. Stokes: And so the \$3.4-million loss that you attributed to passenger is on your regular passenger assignment.

Mr. Clifford: Yes, but that includes the Moosonee branch—let me put it this way. The loss on our regular main-line passenger operations was \$2,340,000. That also includes the operation into Rouyn-Noranda from Swastika, which particular portion is subsidized 80 per cent by the federal government. But that was the loss on our main-line passenger operations. Our Moosonee branch, which is a very light-density operation—we operate a mixed train just three days a week, other than the excursion during the summer months—lost \$1.7 million.

Mr. Stokes: And you are saying that 80 per cent of that was made up by way of federal subsidy?

Mr. Clifford: No, I am saying the main-line passenger loss of \$2.4 million included a loss of approximately \$250,000, I think, for the branch line from Swastika into Rouyn-Noranda; and of that \$250,000—I am just not too sure if that is the figure, but it is very close—80 per cent of that is subsidized by the federal government.

Mr. Stokes: And the 80 per cent subsidy for loss in passenger service only applies to that portion of your passenger operations?

Mr. Clifford: Insofar as the federal government is concerned. The ministry here is picking up the loss on the rest of our operations, which are not covered by the federal charter.

Mr. Stokes: In total or at 80 per cent?

Mr. Clifford: At 80 per cent.

Mr. Stokes: I see. Have you ever made application to the federal government.

Mr. Clifford: Well, this is what we were talking about earlier, Mr. Stokes, in reply to Mr. Smith's inquiry. We were down to the CTC, endeavouring to see if there was any way we could get a subsidy out of them for our main-line passenger operations instead of getting the subsidy from the provincial government. The deliberations and the discussions

with them are still in process and I just don't know how they are going to come out.

Mr. Stokes: Is this the first time you have ever made overtures to the federal government on that subsidy?

Mr. Clifford: On that subsidy, yes, and I think it was as a result of Mr. Smith's remarks to the minister. But, there again, the federal government does not have jurisdiction over the Ontario Northland, other than that branch line into Rouyn-Noranda, which is federally chartered.

Mr. Stokes: They do with regard to standards for railway operations, do they not?

Mr. Clifford: Not on our line they don't. We live up to the standards of the CTC. We have to live up to the standards on the Rouyn-Noranda branch because that's federally chartered, and our standards on the rest of our railway are exactly the same even though we do not come under CTC jurisdiction. We follow the operating rules but we don't—

Mr. Stokes: Do you use the uniform code of operating rules?

Mr. Clifford: Oh sure.

Mr. Stokes: So that you would qualify in every respect as a result of your method of operation?

Mr. Clifford: Oh, yes, other than the fact that we are not federally chartered. Oh yes, we follow the uniform code all right.

Mr. Stokes: What was your investment in rolling stock for the past fiscal year or in the current fiscal year? You bought about 15 new diesels, was it, last year?

Mr. Clifford: We are in the process of changing our entire diesel fleet over, basically, a seven-year period. It may go to eight or nine years, because we had to slack off and didn't buy any in 1975.

Mr. Stokes: What are you using, GM or MLW?

Mr. Clifford: We have a combination of GM and MLW. We are going pretty well all GM. In the bids we have had, GM has been lower.

Mr. Stokes: You have had better success with them?

Mr. Clifford: We have had better success with GM than MLW, and we feel that we are really too small a railway to be having two different manufacturers of diesels. Just the

spare parts alone that you have to carry as inventory are enough to beat you.

Mr. Stokes: Do you do your own maintenance?

Mr. Clifford: Oh yes, we do our own maintenance and do all our back-shop work in our shops in North Bay.

Mr. Stokes: Are you buying any other rolling stock, like gondolas or covered hoppers, or are you getting into unit trains?

Mr. Clifford: We operate unit trains now—the covered hopper cars with iron ore pellets out of the two mines in the north, going into Timagami and going down to Hamilton, to Dofasco. Those are unit train operations.

Mr. Stokes: And will you be increasing that fleet?

Mr. Clifford: Not that particular fleet. Those mines are pretty well at top production. We were changing out the cars from open-top hoppers to covered hoppers and the balance—I think 19 cars—we will get in August and that will complete that particular fleet.

Mr. Stokes: As you know, the two major carriers in Canada have experienced some terrific losses over the past eight to 10 months; some of it attributed to lack of proper track maintenance and some attributed to lack of proper equipment maintenance. What has your experience been?

Mr. Clifford: Are you talking derailments, Mr. Stokes? Let me put it this way. We have our share of derailments. Our commission was quite concerned some time ago as to whether or not our operating efficiency was as good as the major roads. I was able to obtain the data from Canadian National as to its derailments, and in the three different criteria—that is, based on gross ton miles, based on train miles and also based on car miles—our derailment ratio was lower than the Canadian National.

Mr. Stokes: How many derailments did you have in 1974?

Mr. Clifford: We had only one major derailment in 1974 and some minor ones, but I think our derailments in 1974 cost us in the neighbourhood of about a quarter of a million dollars.

Mr. Stokes: About a quarter of a million dollars. Do you carry self insurance?

Mr. Clifford: Yes.

Mr. Stokes: There was a remark made by my colleague, the member for Sudbury East, before he left, about lack of proper track maintenance. You wouldn't say that would hold true for the ONR then?

Mr. Clifford: I certainly don't agree with them there. I think that our track is as good as the track of the major railroads.

Mr. Stokes: That's not saying much.

Mr. Clifford: It all depends on how you want to look at it.

Mr. Stokes: I look at it very closely.

Mr. Clifford: The railroads come into a great deal of criticism on their track standards. We feel for the traffic that we are handling our roadbed is in excellent condition. It's all 115-lb rail, rock-ballasted. We're putting in about 10 miles of continuous welded rail each year. Our roadbed is in good shape.

Mr. Stokes: You say you only had one major derailment. What did you attribute that to?

Mr. Clifford: I think that particular one was a broken axle, as I recall it, last year.

Mr. Stokes: Was it a burnt journal?

Mr. Clifford: No, it wasn't a burnt journal. It wasn't a hotbox. The axle cracked.

Mr. Stokes: Do you anticipate an increase in the amount of traffic that you'll have attributed to the James Bay development? I understand there were some contracts where you were to get into a barging operation across the lower end of James Bay.

Mr. Clifford: We didn't get into the barging operation ourselves. In the summer of 1973 we handled a considerable amount of traffic from Moosonee and it was barged over by a private company to Fort George. None of it came about in 1974. That was primarily due to all the difficulties that they had up there. This year it doesn't look as if anything is going in via Moosonee this year. What the future is going to hold, I couldn't tell you, sir.

Mr. Stokes: All in all, you think that if it were not for the loss on the passenger side of your operation that the freight business is operating fairly well and paying for itself and your telecommunications are starting to pay for themselves.

Mr. Clifford: Our telecommunications is profitable. Our freight business is down this year. There's no doubt about it. We're off for

the first four months of this year. Our revenues are considerably below our projection.

Mr. Stokes: That is just because of the downturn in the economy?

Mr. Clifford: Yes. We're getting affected just like everybody else. It's a real tough year.

Mr. Stokes: If you were the Ian Sinclair of the Ontario Northland then, you wouldn't be making a statement to the effect that government was legislating you out of business; that the CTC was just burdening you down with such constraints and lazy employees were driving you out of business? You wouldn't be making such a statement if you were giving an account of your stewardship as you are today?

Mr. Clifford: I wouldn't say lazy employees were driving us out of our business, no, but I think I would agree with Mr. Sinclair in all his other remarks.

Mr. Stokes: That governments are becoming much too heavy-handed?

Hon. Mr. Rhodes: Singular.

Mr. Clifford: The minister said "singular" and I would agree with him.

Mr. Stokes: I'm not asking the minister. In what way do you feel that government and the heavy hand of the bureaucracy are putting constraints on you as a railroader? I'd like to make that sort of comparison.

Mr. Clifford: Basically, I'm an entrepreneur and a free enterprise realist. Maybe this is one of the big problems. Unless something is done with this railway industry, the whole thing is going to die. It cannot go on the way it's going on. I know the Canadian Pacific is a cold-blooded corporation. They're just interested in the God Almighty dollar, so to speak. If this country is to survive, how are you going to keep on going the way the transportation industry is going today? We've talked about our passenger loss. There's not one mode of transportation today on which you can carry a passenger from A to B and make any money on it.

Mr. Ferrier: On the bus.

Mr. Clifford: No, you can't make it on the bus. You can pick your selected areas and say: "I want to just go from A to B." But if you've got to handle a specific territory even in the bus business, and I think we operate a fairly good bus business, on the scheduled runs we are just holding our heads above water. The

only place we can make any money is through charters and through carrying the parcel express. But you can't carry a person on any mode of transportation as we know it today and make enough.

Mr. Stokes: I guess it is pretty hard for you, Mr. Clifford, to go to bed at night as the free enterprise operator that you profess to be, knowing full well that you take an 80 per cent subsidy from the provincial government on every dollar you lose in passenger service.

Mr. Clifford: No, but I have to report to the minister. I tell the minister that from a business point of view that I don't need this service. The minister says the province needs it and will subsidize it—and I think it is as simple as that.

Mr. Gilbert: Yes, I think to be fair to Mr. Clifford, this is actually the same way as I understand CNR makes its arrangements with the federal government on these non-paying lines. The government decides that it wants to carry on, such as in this case, and it is decided that the government wants the railroad to carry that service. Then they say, "Fine, carry it and we will pay the 80 per cent."

Mr. Clifford: The minister says the government makes the policy and—

Mr. Stokes: And I don't disagree with it, but obviously you do.

Mr. Clifford: I don't disagree with the policy. If that's the policy of the government, I'm there to supposedly attempt to run the Ontario Northland Railway. If the government policy is something, I'll follow that.

Mr. Stokes: I want to pursue just one step further a remark that you made that railroads are going down the drain unless there is a re-thinking of a transportation policy—and not only for the Ontario Northland, because you're **only a cog in the wheel.**

Have you done any thinking among yourselves trying to sort of think things out for our friend over in Ottawa, Jean Marchand, who admits they don't even have a transportation policy in Canada?

Mr. Gilbert alluded to the situation out in the prairie provinces where they have been putting tremendous pressure on the federal government and the Ministry of Transport to come up with some rationale for the equalization of freight rates. It would be more on a ton-mile basis, rather than on agreed charges that you spoke of earlier; rather than, say, a Crow's Nest Pass type of agreement, that has been with us since the year 1898.

Have you done any thinking among yourselves as to what can be done to rationalize and integrate the various transportation systems we have in this country and in this province to somehow refine our various modes of transportation to use them as a tool for development rather than just profit instruments? Because there are many areas of the province and the country where we need rail transportation, particularly with bulk commodities. We're going to have to have them, good or bad.

It's just a question of how we see an integration of our total transportation package that will better serve all of the people of this country and this province, while doing it at prices that we can afford to pay. Have you ever given it any thought?

Mr. Clifford: Mr. Stokes, when you said a price that we can afford to pay, I don't really know what that price is. I think that's where you start. What can we afford to pay?

Mr. Stokes: Of course, if it was a rare commodity that was being used up, a non-renewable resource, or something like that, you would pay whatever was necessary to pay as long as that was available. That isn't the case with a service industry, such as your own.

Hon. Mr. Rhodes: That is what the Arabs are saying.

Mr. Stokes: That isn't the case with an industry such as your own. I think we've been going along with a transportation policy in this country for so long, simply because people were willing to pay for it.

Mr. Clifford: But you know the National Transportation Act wasn't all that bad. I think there were great strides made in the transportation industry after the National Transportation Act came into effect. To my mind, unfortunately, they are getting away from the concept as laid down in that Act.

Mr. Stokes: Are you talking about—based on the MacPherson report?

Mr. Clifford: Yes, and the National Transportation Act.

Mr. Stokes: You seem as though you are throwing up your hands.

Mr. Clifford: No, we are not throwing up our hands. I think possibly it is just the rapid rate of inflation that has caught up with, you might say, the whole country in the last two years. We could keep our heads above water up to two years ago and then when the serious inflationary pressures started to take effect we were caught in the squeeze like everybody else.

We have not raised our rates on our product, you might say, as private industry has raised its rates, to take care of the inflationary pressures.

You can look at the steel mills. The steel companies are good customers of ours. If you look at the increases in the price of steel and various steel products within the last two years and look at the increases in our freight rates for iron ore pellets, say, going to that steel mill, there is just no comparison. The steel companies will holler their heads off about us increasing the freight rate but they will pass their increased costs along to their customers. It's just a vicious circle.

Mr. Stokes: In your freight rate structure, when you apply for an increase, do you have to go through the same procedures as the other common carriers, the other major carriers?

Mr. Clifford: Yes, because 90 per cent of our traffic is interlined, anyway, with the Canadian National and Canadian Pacific. Even when you go to set a rate from A to B, the Ontario Northland will take whatever portion we can bargain for with the major carrier out of that overall rate.

In other words, if it's a rate, we'll say, from Timmins to Montreal which is going ONR and CPR, you set your overall rate. You negotiate the rate with the customer and then the railways battle their heads together as to what proportion of the rate they are going to be able to get. You win some and you lose some.

Mr. Stokes: In the proliferation of kinds of rates—and I'm sure that it's as much of a dilemma for you as it is for anybody else—they tell me there are only about 14 people in Canada who can adequately explain the kinds, the types and the rationale behind the freight rate structure of the two large carriers. Are you faced with the same dilemma? Do you have to have your experts who can keep pace with these people? Does it cause you any problem? You mentioned you have an agreed rate specifically for hauling concentrates from Texasgulf.

Mr. Clifford: Yes, over to Rouyn Noranda which is strictly on our lines, so we have an agreed rate.

Mr. Stokes: Do you have any other agreed rates?

Mr. Clifford: I think we have an agreed rate with the Canadian National on the haulage of **sulphuric acid in unit trains** out of Timmins down to either Sorel, Que., or Belledune, N.B.

Mr. Stokes: Is it fair to say there is no part of your freight rate structure or no commodity or no bulk traffic you haul which is hauled at a loss simply to stimulate industry as opposed to charging a higher rate because the traffic will bear a little more?

Mr. Clifford: No. None of your rates are below cost.

Mr. Stokes: All of your rates are sort of self-sustaining? I like your responses, Mr. Clifford. I think you are on the right track and I am going to visit your operation. I was up once, on a parliamentary train; I didn't get a chance to see too much of the operation.

Mr. Clifford: I'd be glad to have you up.

Mr. Stokes: I like what I hear tonight and I am going to make it my business to go up and spend a little time looking at your operation.

Mr. Chairman: Mr. Germa.

Mr. M. C. Germa (Sudbury): Mr. Chairman, I was listening to my colleague, Mr. Stokes, when he was asking questions relating to this transfer payment of \$3,597,000 from the Province of Ontario to Ontario Northland. I tried to copy down the figures and I don't come to the same conclusions, the figures given should equal \$3,597,000. Can you tell me how that money was allocated? How much went to ONTC? How much went to Star Transfer? How much went to the bus service?

Hon. Mr. Rhodes: Mr. Germa, just for your information that \$3,597,000 is the budget figure for this year. The figures Mr. Clifford was giving you were the actual expenses for last year. Just for your information, \$157,000 of the \$3,597,000 is the estimated deficit for the Tobermory ferry for this year. But if you tried to total the figures they wouldn't total up, because, as I say, Mr. Clifford was talking about last year's actual expenses, as opposed to the figure you were using, which is this year's estimate.

Mr. Germa: Maybe the minister can tell me where this money is being transferred to? You must have some idea of where it's going.

Hon. Mr. Rhodes: Yes, the estimated \$3,440,000 for this year is the estimate of the losses on the main line and the Moosonee branch passenger service. The other \$157,000 is the estimated deficit on the Tobermory ferry operation. These are the two figures we have in our budget as it deals with the rail operation and the ferry operation of the ONTC.

Mr. Germa: How much of the freight operation overcomes the deficit on passenger? I think you did make a profit on your freight.

Mr. Chairman: I think Mr. Clifford explained this before, did he not? For Mr. Stokes?

Mr. Germa: I tried to count the figures.

Mr. Chairman: Or the previous speaker. I think you were out then, Mr. Germa. But I think you went over that.

Mr. Haggerty: He didn't really explain it.

Mr. Clifford: I can understand Mr. Germa's dilemma because the figures aren't coming out right. But as the minister mentioned, Mr. Germa, those figures are the estimated 1975-1976 deficits.

Hon. Mr. Rhodes: Those figures that we're giving are just passengers.

Mr. Germa: It's difficult for us to get a picture of this operation if we can't lay figures down side by side and see where we're going.

Hon. Mr. Rhodes: I think we can do that for you if you go to last year's figures, which perhaps we should have given you earlier. As to the estimates for last year, we showed an estimated loss on the passenger service of \$2,800,000, and \$150,000 on estimated loss on the ferry service from Tobermory.

Mr. Germa: Last year you transferred \$3,230,000.

Hon. Mr. Rhodes: Yes.

Mr. Germa: Could we find out where that went?

Mr. Clifford: The \$150,000 was, as the minister mentioned, for the Tobermory ferry. That would go into the coffers of the Owen Sound Transportation Co.

Mr. Germa: Okay.

Mr. Clifford: There was \$2,800,000 for the main line passenger loss and the Moosonee branch operation, and that goes into the coffers, you might say, of the Ontario Northland Transportation Commission. There was \$280,000 of that as I understand it, for Winisk.

Hon. Mr. Rhodes: Recalling that the figure we're giving you is only 80 per cent of the passenger operating loss, the figures that we have in as estimates from last year and again this year are an estimated 80 per cent of the passenger loss.

Mr. Germa: Where did the \$280,000 go to, the last figure you gave?

Mr. Stokes: Winisk.

Mr. Germa: Winisk, what is that?

Mr. Clifford: Communications facilities at Winisk.

Mr. Germa: Oh, I see.

Mr. Chairman: Does that answer your question?

Mr. Germa: Yes. I have a couple more. In the past, accounts receivable has been a problem with Ontario Northland. Can you tell me what the accounts receivable were on Dec. 31, 1974?

Mr. Clifford: I haven't got those figures available here. It will be in the annual report. The statement by the Provincial Auditor was just signed yesterday. I couldn't tell you what the accounts receivable were.

Mr. Germa: You don't know whether they're greater or lesser than 1973 accounts receivable?

Mr. Clifford: I don't think they're any more than what 1973 was. I shouldn't say we don't particularly have trouble collecting our accounts. I think you're referring to specific items.

Mr. Germa: In 1973 your accounts receivable went up by 65 per cent. If your accounts receivable went up by 65 per cent again this year, something tells me there's something wrong.

Mr. Clifford: The reason they went up, I think you will recall, was the question of the rental payment from Texasgulf.

Mr. Germa: Has that been resolved?

Mr. Clifford: The whole issue hasn't been resolved but they are paying us the rental. They paid it in November, 1974 and they paid it in November 1975. They are up to date in their rental payments.

Mr. Germa: What else is left to be resolved with Texasgulf?

Hon. Mr. Rhodes: Well, perhaps I should answer that one. You may recall that this particular matter first came forward at the public accounts committee. At that time there was a question as to whether or not a commitment had been made by the then Minister of Mines, Allan Lawrence—whether or not

any commitment had been made to Texasgulf. That is the question that has yet to be resolved.

Mr. Germa: How many dollars a year is this costing us?

Hon. Mr. Rhodes: It isn't costing us anything because we are collecting that money.

Mr. Germa: So what is left up in the air? What has got to be resolved, then?

Mr. Stokes: Are they paying it under protest?

Hon. Mr. Rhodes: Yes, I think they are. They are paying it under protest on the grounds that they feel the commitment was made. We are not convinced there was a commitment made. That is where the difference of opinion is. But they are paying these rental fees to ONTC, as was required of them, in the original agreement.

Mr. Ferrier: Does that mean that it is likely to be settled in court, then?

Hon. Mr. Rhodes: It could be. I don't know. As I say, I am not involved in that negotiation, because our ministry was not part of any so-called commitment or negotiation, at that time.

Mr. R. S. Smith: Is that the spur line you are talking about?

Hon. Mr. Rhodes: Yes.

Mr. Germa: It could conceivably cost something then in the future, is that what you are saying?

Hon. Mr. Rhodes: I can't predict what may happen in the future. I don't know how far this thing may go. If it goes to the courts I can't, for the moment, even attempt to predict what the courts' decisions might be.

Mr. Chairman: Are you finished, Mr. Germa?

Mr. Germa: To what extent has the freight rate reduction programme interfered with your revenues—that is the 18 per cent freight reduction that was instituted in June, 1973?

Mr. Clifford: That was basically with Star Transfer, the trucking arm. Very likely we mentioned this before you came in this evening.

Mr. Stokes: Eighty-seven thousand dollars.

Mr. Germa: Did that sum not apply to the rail as well?

Mr. Clifford: It was very minimal on the rail. I think it only amounted to about \$87,000 and we were subsidized by the ministry.

Mr. Germa: If it has been said before I won't ask for it. There were a few other items here. Have you set up an audit committee as recommended by the Provincial Auditor?

Mr. Clifford: We have.

Mr. Germa: It is functioning right now?

Mr. Clifford: It is.

Mr. Germa: Have you resolved the situation, as it refers to dismissal and retirement and severance pay, of managerial and executive types who are laid off?

Mr. Clifford: No, we haven't resolved it. That policy is still in the draft stage and hasn't been approved as yet. It is in the process.

Mr. Germa: When can we expect that thing to be resolved?

Mr. Clifford: I would estimate that it should be resolved by the fall, by September.

Mr. Germa: How many business cars do you presently have functioning?

Mr. Clifford: Functioning? We have two business cars between us. We have had these for the past three years.

Mr. Germa: There was considerable damage done recently to one of them, I understand?

Mr. Clifford: No. That wasn't a business car. That was the meal service car which operates between Cochrane and Moosonee. It was the regular meal service car assigned to that train.

Mr. Germa: Have you laid down a policy as it relates to entertainment expenses for senior officials?

Mr. Clifford: Yes, that's been laid down, Mr. Germa. This is all contained in the Provincial Auditor's report which will become part of our annual report. Mr. Minister, I don't know if you want to have it left. Mr. Germa was questioning about the policy on the audit committee—and what was the last question, Mr. Germa? On the—

Mr. Stokes: Entertainment fund.

Mr. Clifford: On the entertainment thing. This has been spelled out by the Provincial Auditor and is in the comment stage of the audit that they have just done, which will be going to the Legislature. I just don't know if my problems would be the same.

Mr. Germa: There were 13 recommendations made by the audit committee.

Mr. Clifford: The Provincial Auditor has just done the audit for the fiscal year 1974 and all those items have been commented on by the Provincial Auditor.

Mr. Germa: I think that as the general manager you should know if you had instituted these recommendations.

Mr. Clifford: I know whether or not they have been instituted, Mr. Germa; I just don't know if it is appropriate for me to be saying so here, when they are contained in the remarks of the Provincial Auditor. This is all I am saying.

Mr. Chairman: Mr. Germa, you sit on that committee as well as I do. We will probably get a chance to discuss them there.

Mr. Germa: Okay, we will wait until that comes before us. Could I ask one more question regarding the transfer payment of \$945,000 to norOntair? What subsidy per passenger does that represent? How many dollars per passenger?

Hon. Mr. Rhodes: It is in the area of \$20.

Mr. Germa: I wonder if the minister knows how many people in Ontario have ever been on an airplane. What percentage of the population uses aircraft?

Hon. Mr. Rhodes: I can't tell you.

Mr. Chairman: This doesn't relate to the vote, Mr. Germa.

Hon. Mr. Rhodes: The figure that I have heard used, and I am going to quote it as a figure I have heard used on a national basis, is approximately 15 per cent of the population.

Mr. Deacon: Pretty close.

Mr. Germa: That's a pretty small percentage, is it not?

Hon. Mr. Rhodes: If you get them all up in the air at one time, it is a big crowd. It is a small percentage, I agree.

Mr. Germa: All right. The next question is, who are this 15 per cent? You and I know who they are. I am sure you have got a feeling of who is flying beside you, of this 15 per cent. The figure is actually 17 per cent, by the way.

Hon. Mr. Rhodes: It is up to 17 now? It's growing.

Mr. Germa: Yes, it is going up, but it is only 17 per cent. Do you realize who these people are that you are subsidizing? They are the carpetbaggers and briefcase boys like you and I who are using these airplanes. No one else can afford to use them, and I am just wondering if it is right to subsidize company executives, government officials and those people who could very well pay their full freight.

Mr. Chairman: I think you said that earlier tonight, didn't you, Mr. Smith?

Hon. Mr. Rhodes: No, we didn't. We went into it briefly, but I think it is probably an unfair figure to use that particular statistic of 17 per cent, because you are talking about 17 per cent of 20 million people. Obviously that includes every man, woman and child in the country, and you and I know that if you take a breakdown as to the age groups that are travelling by air you are going to be narrowing down that total population considerably. Probably if you take the usual travelling public, or the persons who would be travelling some distance, you are probably getting a bigger percentage of that travelling public using air travel than that 17 per cent. It is one of these beautiful figures they fill out and say 17 per cent of the whole thing.

Mr. Germa: The point I am trying to make, Mr. Minister, is there is a certain person in the airplane and there is a certain person on the bus and they are two different people, from a social and economic level.

Hon. Mr. Rhodes: That's right, but if you relate it on a passenger-mile basis I think you would find that your figures are all distorted again.

Mr. R. S. Smith: I travel both.

Hon. Mr. Rhodes: I am sure you do. I think the smaller percentage of people travel by bus, if you figure it out on a passenger-mile basis.

Mr. Germa: The question I am asking is, do you know who you are subsidizing?

Hon. Mr. Rhodes: Oh sure, the people who ride in the airplane.

Mr. Germa: Who are those people?

Hon. Mr. Rhodes: Fifteen per cent of the total population; you said 17 per cent. I know who they are and you know who they are.

Mr. Germa: I said everybody with a briefcase who was on an expense account could pay his full fare.

Hon. Mr. Rhodes: I don't know. Members of my family have travelled by air and don't carry briefcases, and I am sure yours too. I am sure there are a lot of people flying in and out of my community and yours, and Timmins, and every place else here, who isn't necessarily toting a briefcase for a living, a lot of them are toting a lunch pail.

Mr. Germa: No, Mr. Minister, I am on airplanes almost weekly and I know who the passengers are who get on with me in Sudbury, and it is not the guys I worked with in the mine or the smelter, I will tell you that much.

Hon. Mr. Rhodes: They don't travel every week or every month, I agree.

Mr. Germa: They never travel except by bus.

Hon. Mr. Rhodes: A lot of them travel by air too. My goodness. The steel workers in my town and the mine workers in your town would be extremely upset if they heard you and I say that they weren't in a position to travel by air, because they do.

Mr. Germa: It was those people who told me about this, and I looked at who was sitting beside me every Monday morning and it certainly is not the guy from the smelter or the mine.

Mr. Chairman: Gentlemen, two other speakers have indicated they'd like to speak and it's already past 10:30. I wondered, are your questions very lengthy?

Mr. M. Gaunt (Huron-Bruce): I just have a very short question, Mr. Chairman.

Mr. Chairman: Rather than bringing these gentlemen back again we could go on, if you'd like, Mr. Minister, for just a couple of minutes.

Mr. Stokes: Yes, just to make sure that you've got what we are talking about. You were trying to break down those figures. In those figures you said there was a certain percentage of it for northern airstrips. That comes in another vote.

Hon. Mr. Rhodes: It is the first part of this vote. We are not intending to pass these votes. We are simply talking about the ONTC involvement.

Mr. Stokes: Somebody else can talk about airstrips and somebody else can talk about northern telecommunications.

Hon. Mr. Rhodes: The telecommunications part is in the communications part of the vote,

which is vote 2309. That will be handled through the communications branch people. It will not require ONTC. The airstrip programme is not handled by ONTC. It's part of these votes.

Mr. Stokes: It is no problem.

Hon. Mr. Rhodes: What I requested earlier today, and I'm assuming that's how we are proceeding, was that in votes 2305 and 2306 we could deal now with those matters which dealt with ONTC and go back to the other items such as GO Transit and air programmes later.

Mr. Chairman: Perhaps if Mr. Gaunt's question isn't too long we could take it and then these gentlemen wouldn't have to come back at another time.

Hon. Mr. Rhodes: We will stay late for anybody.

Mr. Deacon: I have one question.

Mr. Gaunt: Thank you, Mr. Chairman. I have just a very brief question in respect to the Tobermory ferry.

I had a constituent who called up to register a complaint about the fact that he had to deposit \$10 to ensure that his reservation was maintained on the Tobermory ferry. Is that the general policy? If so, I would respectfully ask that you take another look at it, because people from Wingham certainly aren't in a position to drive all the way up to Owen Sound, pay their \$10, come all the way back and then go back up.

Mr. Clifford: You don't have to drive to Owen Sound. There are forms and brochures which have reservation forms on them. They can send the reservation form and their money in. All that \$10 does is to signify that they have some intention of travelling, and that \$10 is applied to the fare. It is not a \$10 service charge per se. It's a downpayment, you might say, on their fare.

They do not have to drive from Wingham to Owen Sound. They can send it in the mail. If it is within, I guess, four days prior to sailing, they have got to give it time to get through the mail. At today's speed I guess it's going to take you more than four days.

Mr. Gaunt: Usually.

Mr. Gilbert: Are you getting many complaints about these, Mr. Gaunt?

Mr. Gaunt: I think it's a change in policy and people just weren't aware of it. Then all of a sudden—

Mr. Clifford: You don't need a reservation, incidentally. But you take your chances when you get to either Tobermory or South Baymouth, if you don't have a reservation. At this time of year it's not bad. When you are getting into the middle of June until Labour Day a reservation is recommended.

Mr. Gaunt: I haven't had a lot of complaints but I've had some. I suspect that people weren't aware of the change in policy and they didn't really see how it could be accommodated in an easy fashion. The gentleman who approached me said, "I'm not going to drive up to Owen Sound and pay my \$10 and then come back again. What are you going to do about it?" This is what I'm going to do about it.

Mr. Chairman: Mr. Deacon, you had a short question?

Mr. Deacon: What is the basis of payments for running rights over the CP and CN whenever you run over their lines?

Mr. Clifford: I don't think I can tell you that. We don't have any running rights over the Canadian National or Canadian Pacific. We do have reciprocal agreements if any one of the three lines happen to be blocked, say because of a derailment, and we want to use the other railway's line to get around it. Then there's what they call reciprocal agreement.

Mr. Deacon: Could you give me the details of that and how often it's negotiated, if you do? I thought you actually did run over other than your own line.

Mr. Clifford: No, we don't. At North Bay we go in over the Canadian National lines to get to the North Bay station because this is a jointly operated station, but owned by the Canadian National. We will go in on the Canadian National line for an eighth of a mile so we can get into North Bay station. That is all part of an agreement but we don't have running rights, per se, over a subdivision you might say, or over an extended section.

Mr. Deacon: What is the basis of the distribution of costs on that particular little stretch? Have you got that worked out? Maybe you can get this information for me.

Mr. Clifford: I can get the information.

Mr. Deacon: The other thing I wanted to find out, can you see some problems if all these rights of way and roadbeds owned by the federal government were made available to you or to any other rail operator—whether it

be CN, CP or Greyhound or whatever else had the equipment and the qualified operators to operate on those lines—with the traffic control handled by the MOT in the same way it handles traffic control in the airports and the waterways of the country.

In this way, we would get away from there being a monopoly of the use of the roadbeds by the railroads themselves. It would make it possible for the government to bring these roadbeds up to a modern-day standard, having the sort of resources that are available to the government for improving highways up to modern day standards for example. You mentioned before that the major problem today in faster movement on rail is the condition of the roadbeds and their inability to cope with these. If it were highways—and we have seen it happen with highways—automatically public moneys go to build it up to required standard.

Mr. Clifford: Incidentally, I don't altogether agree with that about the roadbeds. Take the Canadian National's Turbo train from Montreal to Toronto at 95 to 100 mph—

Mr. Deacon: That roadbed happens to be a high-volume traffic artery so it is a fast roadbed but there are many other roadbeds in this province—

Mr. Chairman: Mr. Deacon, we did discuss the speeds and the roadbeds earlier.

Mr. Deacon: Yes, I was here at the time. I was trying to bring up this question of this being a government-owned roadbed and does Mr. Clifford see a problem in having these roadbeds taken over, as suggested by some of the Premiers and others, where, in effect, the transportation by rail or road could be integrated on the basis of it being government-owned property and maintained by the government; and where operations like your own, like CN and CP, would have the right to apply for use and running service over that, the way it should be.

Mr. Chairman: Gentlemen, do I have it then—

Mr. Deacon: I didn't know if he had any further comment on that, Mr. Chairman.

Mr. Chairman: —that all matters pertaining to the ONTC on vote 2305—

Mr. Deacon: Mr. Chairman, could you wait for a moment? I was just asking for an answer.

Mr. Clifford: I think you asked, Mr. Deacon, whether I could get you some idea as to what the running rates would be.

Mr. Deacon: What problems would there be in that sort of an approach was what I would like to know.

Hon. Mr. Rhodes: Public ownership of the roadbeds.

Mr. Clifford: Yes.

Mr. Deacon: I am not talking about public ownership of the operators who operate equipment, but the roadbeds only. We would have traffic control, the same way as with waterways and airports and things like that, operated by the government. But it would create private operators, competition and service.

Hon. Mr. Rhodes: Mr. Deacon, more than likely Mr. Clifford is placed in an awkward position in that he has to deal with other operators of well-known railroads and he may be quoted on this. Perhaps I can say that I think you are right on. I think you are dead on that we should have ownership of the roadbeds, and it would give us an opportunity to do as you suggested. You could be putting in

second tracks, if necessary, without going through the negotiating process with the railroads, and operate them similarly as we do highways—the government owns the highways—and gives someone the right to run it.

Mr. Deacon: It would sure make a great difference in one of your other—

Hon. Mr. Rhodes: I don't want him to get into trouble with his CN-CP friends.

Mr. Chairman: Gentlemen, before we adjourn, do I have consensus that all matters pertaining to the ONTC on votes 2305 and 2306 are carried?

Votes 2305 and 2306 agreed to.

Mr. Chairman: These estimates will continue on Monday after the question period. On Thursday and Friday we will have the Ministry of Consumer and Commercial Relations.

The committee adjourned at 10:40 o'clock, p.m.

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**ESTIMATES, MINISTRY OF
CONSUMER AND COMMERCIAL
RELATIONS**

Standing Administration of Justice Committee

Chairman: Mr. D. W. Ewen

OFFICIAL REPORT — DAILY EDITION

Fifth Session of the Twenty-Ninth Legislature

Thursday, June 5, 1975

Afternoon Session

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

THE QUEEN'S PRINTER
PARLIAMENT BUILDINGS, TORONTO
1975

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LEGISLATIVE ASSEMBLY OF ONTARIO

THURSDAY, JUNE 5, 1975

The committee met at 3:25 o'clock, p.m.

ESTIMATES, MINISTRY OF CONSUMER AND COMMERCIAL RELATIONS

Mr. Chairman: We will call the meeting to order to consider the estimates of the Ministry of Consumer and Commercial Relations. Mr. Minister, have you an opening statement?

Hon. S. B. Handleman (Minister of Consumer and Commercial Relations): Yes, Mr. Chairman, thank you very much.

First I want to say how pleased I am, for the first time in my career in the government, to be presenting my estimates at all. I have never had an opportunity before because circumstances intervened. So it is going to be an experience for me, although I must say I have been in estimates committee and have sat where you are, Mr. Chairman. I always enjoyed it from that point of view.

Before we proceed with detailed consideration of the ministry's estimates, I would like to make a few brief remarks with regard to some of our current activities and some of the things we hope to achieve in the future.

Mr. J. A. Renwick (Riverdale): Do you have a copy of your remarks?

Hon. Mr. Handleman: Yes, there are copies available of the statement, I hope. I can say this—that there is a briefing book for each member who attends. The statement itself was prepared very quickly when we found out we were going on to estimates the other night so there may not be copies. Yes there are; there they are.

I just wanted to say that since I was assigned to this portfolio only a few months ago, I have been in a learning process. But I feel that with the help of the excellent staff, which has been developed over the years, we have been able to achieve some very significant advances while at the same time maintaining a very high level of service to the public and the business community.

Undoubtedly the implementation of the Business Practices Act, which precedes my entry into the ministry, has been our greatest

achievement in the past year. This Act clearly sets out the rules of the game for consumers and businessmen in their dealings with each other. For the consumer, the Act presents a straightforward method of claiming redress if he has been victimized by an unfair practice. It has been called a consumer's bill of rights. The Act will have little effect on the ethical businessman, but takes aim squarely at the unethical.

The new Travel Industry Act, which was also developed prior to my being named to the portfolio, was also passed by the Legislature in the early part of this year and will be proclaimed on July 15. We are now working on the regulations and are about ready to go. We want to have some registrations in.

We feel that this Act will overcome many of the serious problems that have plagued consumers in dealing with some members of the travel industry. The Act sets up the mechanism for a \$1 million compensation fund to which all registered travel agents and travel wholesalers must contribute. The fund will protect travellers in cases of unfulfilled services due to bankruptcy or services contracted for and not provided.

We are now in the process of naming the board which will act as trustees for the fund. The board should be named within the next week to 10 days.

At the same time, the business practices division is undergoing a fairly drastic reorganization which we feel will mean increased service and protection for the Ontario consumer. The new structure will allow the division to react more swiftly to changing concepts in consumer protection and education. Some of you may have seen the news release naming the three new directors in that division and distinguishing between their responsibilities.

In the past year, the Ontario Securities Commission has also been very active, both in the development of new legislation and in its continuing direction of the securities industry. The new Securities Act, which I introduced to the House recently, is the result of years of study and consultation between the commission and the industry. This new Act will serve as a model for many other jurisdictions, and I believe will be received by members with some

measure of enthusiasm. We hope to proceed with second reading on that before the end of the current session.

The Securities Commission also directed and recently released the report of the committee on commodity future trading. This important document makes many recommendations that are now under study and should lead to legislation to protect investors in this fast-growing market area. I cannot at this time give you a timetable for that legislation, but I can tell you that I look on it as a matter of urgent priority,

In working with the insurance division of the ministry, we have conducted an extensive programme of consultation with credit unions around the province to outline the provisions of proposed new legislation. As a result of those consultations, we have changed our position completely, and I have been in direct contact with the Minister of Finance of the government of Canada to see whether or not the credit unions can participate in the federal deposit insurance corporations. The consultation has been successful, and we are continuing to consult directly with the Credit Union League and the Federation des Caisses Populaires.

We have also given major attention to the very important area of housing. This involved two of the divisions of the ministry; property rights and technical standards.

The property rights division developed amendments to the Condominium Act which were passed by the House just a few months ago. I had the privilege of taking that legislation through the House. It was really my first legislation as minister of this ministry. These changes have been described as being consumer-oriented. They, in fact, gave the condominium buyer both greater protection and much more say in the management of the development.

The technical standards division refined the regulations under the Ontario Building Code which was developed by my predecessor, and that division is now engaged in a series of meetings with municipal officials across the province to explain the administrative provisions of the Act. We plan to proclaim the code this summer, thus putting in place a piece of legislation that will be of great assistance to both the construction industry and the home buyer throughout the province.

Still in the area of housing, we're working towards the development of an Ontario home warranty scheme which will provide the new home buyer with an extensive package of protection on this which is the largest purchase that he will probably make in his lifetime. And we have decided to go on a provincial scheme

rather than a federal scheme since the federal officials do not appear to consider it a matter of urgent priority, and we do. Some of the other provinces, I might say, do not consider it to be a matter of urgent priority either.

Mr. Chairman, outside of this legislative approach, my officials and I believe in direct consultation and co-operation with business and industry. In the past few months, we have seen two important developments as a direct result.

A few weeks ago, I tabled in the House new franchising guidelines for the petroleum industry. These guidelines were the result of months of painstaking sessions between ministry officials and representatives of the industry, and I personally involved myself in the latter part of negotiations to bring the parties together. Since the announcement I have received several indications that both sides are living up to the intent of these guidelines, which are voluntary, and which deal with the major areas of concern in the relationship between the lessor and the lessee.

Ministry representatives on the real estate education committee also reported an important breakthrough in the upgrading of pre-registration education requirements for real estate salesmen. This also was the result of long negotiations and discussions between the ministry staff and the industry.

There are many other areas of the ministry which are worthy of mention, but I'm sure the members of the committee are anxious to get down to specific questions, which I will be pleased to answer with the assistance of the staff, in as much detail as possible.

In closing, perhaps I can pay a personal tribute to the many dedicated and loyal public servants in the ministry. They spend long hours listening to and dealing with consumer complaints, and working with a responsive business community to resolve these complaints. I'd like to go on record as commending the efforts of these people in the performance of their duty.

Mr. Chairman, I look forward to the dialogue which will take place during the consideration of these estimates and welcome questions from the committee members.

I would like to introduce Mr. Ken Young, the deputy minister, who will be assisting me. He will be introducing the ministry officials as we come to those items which involve their votes. Thank you, Mr. Chairman.

Mr. Chairman: Thank you, Mr. Minister.
Are there any opening remarks?

Mr. H. Edighoffer (Perth): First, I would just like to congratulate the minister on his appointment. I guess this is the first opportunity that I've had to do this in estimates. As he mentioned, this is his first opportunity too. I want to congratulate him on his new position.

I was wondering, though, as I looked over the new Liquor Control Act the other day when we were discussing it in the House, what was about with this ministry, because I noticed the definition of minister. It stated that this means it's either the Minister of Consumer and Commercial Relations, or such other member of the executive council as the Lieutenant Governor in Council may designate. I hope this doesn't mean that the government wants to relieve you of a lot of your responsibilities, Mr. Minister.

Hon. Mr. Handleman: I wonder if the hon. member would perhaps like to make that suggestion to the Premier (Mr. Davis). He might have support from unanticipated sources.

Mr. Edighoffer: I'm sure he reads all of my remarks in Hansard very carefully.

Mr. Chairman, regarding the advertising programme that I believe your ministry is conducting—with the burps and the beeps, stating that all consumers should have signed contracts which they should have read and that really nothing is free. I think that's some of the content that was in there.

To me it's good advice, and I just hope that the government generally accepts that same advice, because I've had a great number of comments from people about the lottery advertising which said, "We all win with Wintario." I think that's sort of a grey area. I just hope you've looked at that to see whether that really is the case in point, where everyone really does win or not.

The other day I phoned over to your ministry, Mr. Minister, and asked if there was a new review or annual report from your ministry. I was advised that there was a new one and they would send it over immediately. This was quite a few days ago and to date I haven't received it. I hope it isn't the practice that we as members don't receive this information, because it's most helpful when we're at least discussing the estimates.

There are a great number of areas we could talk about, although I don't want to go on too long, because I think many of the matters can be discussed vote by vote. But I would like to make a comment about the food company profits study, I believe it was, that was made last year,

I recall getting copies of two reports. With the first one, the minister when he tabled the report stated, "It seems to me that the food company annual reports are written with too much emphasis on management accomplishments, and too little accent on informing the public."

Then the next report came down and I got the impression the minister was trying to tell the people that the profit picture was dropping in food companies in Ontario and that it would continue to drop for the next six months to a year.

I want to know what you as minister and your staff are doing—whether you are continuing with this type of research, which I think is of great assistance to the people in Ontario. I really haven't heard anything further about it, so I'm quite interested in knowing whether you've just put it aside or if you still want to be of assistance to the consumers and the public in general.

I have to reiterate that our caucus in particular has on many occasions suggested that we should have a legislative committee to fulfil the role of a price review committee. I think basically it would do a great many things. It would have the power to make many companies look at the profits they are taking. If the companies realized they might be called before such a committee they might stop and think before they increased their prices too much.

I think it would be of great assistance in helping the consumer to understand what's going on. I also think it would probably give us, as members of the Legislature, a much more active role on behalf of consumers, and would probably give a ministry such as this, Consumer and Commercial Relations, much more impact with consumers.

I'd just like to place this on the record, Mr. Minister, in case you hadn't read all the speeches of the former minister. On Nov. 11, 1974, the previous minister was speaking to the faculty of management studies of the University of Toronto. It's a very brief page; I would just like to put it on the record in case you haven't read it. It goes like this:

The feelings of frustration are intensifying as we enter the current period of economic instability. Consumer confidence is low. Concern over corporate profits is mounting. The national economy appears to be drifting. Inflation is confusing the individual's budgeting and leaving him dispirited and uncertain. What is the role of government in this situation? Once again, the key word is leadership.

Government has to show restraint in its own spending, demonstrating that a calm and reasoned approach is both necessary and possible. We must support the consumer's drive to know more about current conditions, and we must also help the consumer to discriminate more effectively in the way he is spending his money and what he is getting for it.

Corporations need to demonstrate the same sense of co-operation. Profits and prices must be explained. Consumers should be told wherever possible about cheaper alternatives, or ways to save money. Excessive use of credit should be discouraged. Advertising and marketing techniques should begin to reflect some appreciation for what consumers are worried about.

And then the minister went on to say that we should all recognize the fact and share the problems with each other, and treat each other like adults.

Now, I know that the government probably hasn't shown too much restraint in spending, but I think many of the other suggestions made by the previous minister should be carried out. I think much of this, of course, could be done through legislative price review committee, by making sure that information gets out to the public.

I looked over the opening remarks of the minister last year, and the minister at that time seemed to be very definite about certain types of legislation that would be placed on the books in very short order. I'll just quote very briefly from the opening statement last year. The first thing I noted was that the minister said:

I think I can indicate quite clearly that over the next few years we will be rewriting the entire Insurance Act, section by section, to provide a comprehensive and perhaps more easily understandable piece of legislation. We are continually looking for ways to improve and upgrade the present system.

In another statement he said:

We anticipate a new Credit Unions Act to be introduced this session to meet the needs of the credit unions, and at the same time provide protection for the individual depositor.

I realize from your statement today that you have been looking at that, and probably are looking at a little different avenue.

It was also definitely stated in that speech in the estimates last year that of course we will have legislation forthcoming as a result of

the green paper on consumer product warranties.

I would like to make a few comments on those three subjects. I am sorry to say our insurance expert, the member for Downsview (Mr. Singer), isn't here today, so I would just like to ask on his behalf will these sections be in the new Act? I am asking that question for our colleague who is in the hospital at present.

But car insurance really seems to be in the forefront of consumers' minds and pocket-books. A very recent article in the Star stated that an industry spokesman had estimated that the increases in the province would average about 15 per cent, but then it went on to say: "Since renewing their insurance last July, most Ontario motorists have had their premiums increased 20 to 30 per cent." I think during the discussions we'll probably be able to bring some cases to your mind.

But that makes me think of your advertising; "Be sure to read your contract." Many people come to me and say, "How can we really read all that fine print and understand what's going on?" I hope, Mr. Minister, that you're still giving consideration to publishing something that would be more informative to the public in general, such as the shopper's guide that's been published in Pennsylvania, I believe, for a number of years.

I was going to say more about the Credit Unions Act but I won't at the moment. It looks as if you've changed your mind. I feel that credit unions acted responsibly for a good number of years. Looking over statistics since 1961, the stabilization fund has paid out \$4.5 million to almost 20,000 members of dissolving credit unions. They've each received 100 per cent return on their savings. I think a record such as this is most impressive.

Going on to consumer product warranties, I agree with your statement that something has to be done, particularly in the area of home warranties. This, certainly in most cases, is the biggest expenditure in most people's lives. I noticed that your parliamentary assistant (Mr. Drea) was stomping around somewhere and made the statement that by December, 1975, that legislation would be in effect. I just hope that you, Mr. Minister, could say that legislation will be forthcoming this session. If will be of assistance to many home buyers.

I'd like to comment on your franchising guidelines for the petroleum industry. I understood, in looking at your statement, that these are now in effect. I hope they're working well. I haven't had any real opportunity to discuss in detail with the three bodies, the Ontario Petroleum Association, the Ontario Retail Gasoline Association and the Automotive

Trades Association just how these were set up. I would like to know whether these three bodies sat down at a table and went over this, and this is how it came about. I hope it wasn't all done at arm's length. I think the dealers are fairly well satisfied.

But on this same matter of gasoline dealerships, I receive, the same as you receive, I guess, a copy of that mandate that's put out by John Bulloch of the Federation of Independent Businessmen. I noticed he sent out a questionnaire on whether or not the gasoline companies should be in retail distribution at all. I notice he said there was legislation in effect in three states, but I've done a little checking, and I understand now it's down to two states in the United States where this is in effect.

From the results of that and from the discussions I've had with many people, I think maybe this ministry should be considering such legislation. The results were most interesting: 56 per cent for, 37 per cent against and only seven per cent with no opinion. I think it would probably be of benefit to the purchasers of this product, and there are many of them. I wonder if the minister is considering such legislation, because I think it would be most helpful.

I think those are all the remarks I'll make at this time, but there will be lots of questions in future.

Mr. Chairman: Thanks, Mr. Edighoffer. Mr. Minister, do you have any remarks?

Hon. Mr. Handleman: What I think I'll do, Mr. Chairman, is wait until the critic for the New Democrats has spoken and then respond in general terms. We can deal with these in more detail in the votes.

Mr. Chairman: Mr. Lawlor, do you have any questions or comments, or is it Mr. Renwick?

Mr. Renwick: I will take Mr. Lawlor's place this afternoon.

Mr. Chairman: All right, Mr. Renwick.

Mr. P. D. Lawlor (Lakeshore): Thank God.

Mr. Renwick: I'm always interested in those portions of the minister's statement—and I use it to cover his predecessor's as well—which relate to consumer protection. One of the fascinating things about the estimates of this ministry is that while he's the Minister of Consumer and Commercial Relations, you can't find any reference to "consumer" if you look carefully through any of the estimates of

the ministry. That, of course, reflects very clearly the lack of significance which this ministry—

Mr. Lawlor: The consumer doesn't exist.

Mr. Renwick: —gives to the constituency known as the consumer and the protection of that constituency in the Province of Ontario.

I will be personally intensely interested in trying to ascertain, among the ever-increasing number of personnel in your ministry, the number who in fact are engaged in field enforcement and field protection work in various areas, as against those who are desk-bound because of the system which you use of mainly relying upon paper for the activities of your ministry.

It's significant, of course, that the commercial part would make it a paper ministry because commerce turns upon paper; but the protection of the consumer does not, in other jurisdictions which are progressive, depend upon paper. It depends upon the ability to put in the field enforcement officers who will assist the consumer in protecting his rights. It consists, also, of the activity of the ministry of making known to the public those areas where they can expect to have protection.

I'm not going to dwell very long on some of the bills to which the minister has referred in his opening remarks. I will repeat that the Business Practices Act is not the kind of substantial Act to which he refers in his opening remarks. It has many defects and I know we fought very hard during very lengthy hearings of the committee to try to persuade the ministry. We had persuaded your predecessor (Mr. Clement) on a number of matters, when he unfortunately took ill and had to leave. The parliamentary assistant didn't have the authority or the responsibility to be able to accept, in the same flexible way in which your predecessor would have accepted, a number of the points—not all the points, but a number of the points that were made very ably before the committee by Prof. Trebilcock and Prof. Ziegel on behalf the Ontario branch of the Consumers' Association of Canada. It will be the regret of myself and my colleague, the member for Lakeshore, that your predecessor was not able to attend the balance of those hearings, because we would have had a substantially improved Act.

I doubt if I have ever seen, before any committee of this Legislature, the retinue of special vested-interest pleaders who appeared before that committee. It is very strange to me that the ministry is always subjected to that kind of intense, vested-interest pressure. They obviously believe that they can divert, if not

alter, the course of the intentions of the Legislature in a way which always ends up in the protection of the vested interests of the business community.

Let me list for you very briefly, the points which we made. I made them on behalf of our caucus at the time of the third reading of the bill, and we very seldom speak on third reading of bills. I listed eight deficiencies in the bill, and there may very well be more. I'm going to repeat them again so that the minister will be aware of them since he is a new minister in this portfolio, and so that the record of these estimates proceedings will indicate the concerns which we still have about that bill.

The bill doesn't provide for substituted actions. The bill doesn't provide for class actions. The bill doesn't provide for access by the consumer to the tribunal when the registrar refuses to act. The bill doesn't provide for corrective advertising orders. The bill doesn't provide for ad substantiation orders. The bill doesn't apply to all services, in particular, professional services. The government refused, in the bill, to do what is done in the Securities Act and in the Liquor Licence Act—to provide for, in the event of investigation, the enforcement of not only provincial laws but also federal laws. And there is no provision under which the director can take any kind of a test case to court with respect to the cases which may require to have public attention directed toward them.

I think it's sufficient to say that those eight deficiencies undermine the extent to which the business practices bill has been of any efficacy in the province.

I would like to ask what is the advertising programme with respect to that bill? What intentions does the ministry have to make the public aware of that bill? What, if any, instances of unfair practices have come to the attention of the ministry since the bill was proclaimed? And what, if any, effort are you making to provide locations around the province at which the information with respect to that bill will be made available to the public?

I won't repeat those remarks about many other bills, but one of the areas where this ministry is totally deficient in the protection of its constituency, the consumer, is in making information available, and having places around the province where such information can be available.

I would like to see, at some point during these estimates, a copy of each piece of advertising material which is extant at this time and available to the public. I would like to know in what languages they are published,

and to what extent they're available. I'm speaking about the print media. I'd like to know what programmes are being used in the other media, either on television or on radio, to make the work of the consumer protection part of the government—assuming that's what the unfair business practices bill is all about in one aspect—available to the public.

As I say, I'm not going to repeat those words about a number of other bills. But that's certainly one area that I'm most concerned about.

We, as critics of the government, are of necessity to a large extent plagiarists of what other persons have done, and I move now to a second area. I know the ministry has available to it the study of the Osgoode Hall law school done with respect to consumer litigation in the small claims court of Metropolitan Toronto. An empirical analysis was prepared by two students at that school, Larry H. Muldaver and Jerry Herlihy as part of their work in that school, under the direction of Prof. Jacob Ziegel. I want to refer to the findings of that study.

I had given some consideration as to whether or not to raise this in the ministry of your colleague, the Attorney General (Mr. Clement), as being a matter related to the courts. But I decided that since it was primarily focused about the consumer this was the appropriate place to bring it to your attention. I know from the covering documents related to this study that it was sent not only to your predecessor in your ministry but also to the Attorney General, so it obviously was considered by those who did the study to have significance in both the structuring of the courts and in the area of protection of the consumer.

This report was released on Aug. 18, 1974. At that time a news release about it was given out by Prof. Jacob Ziegel. This was part of the consumer law programme of the Osgoode Hall law school which, for most of us who are lawyers, was not in existence when we attended law school. So at least the law schools are making immense progress to try to stimulate this government in particular into some kind of activity on behalf of the consumer. The object of the study, and I quote, was to:

. . . obtain empirical information about the types of consumer litigation in the small claims courts; the frequency with which consumers appeared as plaintiffs or defendants in such litigation; and to determine whether the present structure and procedure of the court adequately serves the needs of consumers.

To obtain this information the students studied 200 consumer cases brought before the eighth and ninth small claims courts in

Metro Toronto, during a four-season period in 1972-1973, in which a consumer appeared either as a plaintiff or defendant.

I may say that we're not talking about everybody who appeared in the small claims court.

One of their first problems, obviously, was to limit the field of what they could refer to as consumer actions. Consumer actions, for their purposes, could be loosely defined as non-accident, non-landlord-tenant actions, which involved a business party as one litigant and an individual as the other. A business party, as used, included a person rendering professional services, such as doctors as well as corporate creditors. Of course, lawyers need never appear there to collect their bills.

This broad category they broke down into six sub-categories: Loans, consumer purchases, consumer services, professional services, NSF cheques, and wages. One of the purposes of the study was to determine precisely what percentage of consumer actions were found in each sub-category.

The categories of consumer purchases and consumer services are largely self-explanatory.

Consumer purchase was intended to cover any sale of goods situation where it was evident that it was not the commercial paper which was being sued upon. This category also included goods and services where the services were incidental to the purchase.

Consumer services, on the other hand, included all the situations where the primary element of the suit was services offered to the consumer which did not fall into the category of professional services. Thus, repair work, television and other rentals and public utilities such as hydro-electric power supply are some of the items which might fall under that heading.

Then it goes on to try to delimit the problem with which they are faced.

The report is available to the ministry, I need not read it all into the record. I think there would be a sufficient reference to it. But I want to go to what their findings were:

The students' findings confirmed the results reached in other Canadian and American studies that the small claims court has largely become a collection agency for business establishments, and that the consumer is at a serious disadvantage in attempting to make use of the court's facilities—or even defend himself adequately. In 97 per cent of the cases examined by the students, the consumer appeared as defendant. Only nine of all the defendants were represented by a lawyer or other professional agent, as compared to 113 of the plaintiffs who employed

expert assistance. These figures do not tell the whole story because another 53 of the plaintiffs could fairly be deemed to have some expertise of their own. Seventy-four per cent of the cases ended in default judgement, and only 10.5 per cent proceeded to trial. The plaintiff was wholly or partially successful in 94 per cent of the cases.

The study also found wide variations in the use of different types of execution processes, and the frequency with which any type of process to enforce judgement was invoked. So far as could be determined from the records, in only 32.5 per cent of the cases did the successful party recover the full amount of the judgement. In 14 per cent, he recovered nothing. And in 15 per cent he made a partial recovery. At the time of investigation 38.5 per cent of the files were still open.

Garnishment of wages or bank accounts was the most popular form of execution. Wage garnishments were resorted to in 48 per cent of the cases, and 17 of the garnishments occurred before trial.

I am going to just quote, if I may, three quite illuminating comments which were made in the report as to why consumers so very rarely used the small claims court when they are confronted with problems related to themselves as consumers:

First of all, and perhaps most obvious, it is not at all difficult for a consumer who decides to fight his case to feel alienated and helpless at small claims—or indeed, of course, at any other court. Problems as simple as where to sit, or worries about whether it is necessary to inform some official of one's presence, have a tremendous psychological effect upon the layman. This discomfiture is not relieved by seeing many persons bustling around obviously knowing what they are up to. And perhaps the most crushing blow comes when the already ill-at-ease customer sees the collection agent who has been hounding him, or the representative of the other side who has called him over to discuss settlement, go up to the table by the judge's bench and exchange a few good-natured pleasantries with the man at the front. Is it any wonder that the consumer litigant often feels he is the odd man out?

The second comment:

The familiarity that many businesses had with the small claims court procedure was readily apparent in many ways from their pleadings. This contrasts with the unfortunate situation where many, if not most, of the

pleadings by consumer litigants were found to be hand-written in improper form and often did not contain a real cause of action or a valid dispute. It might additionally be submitted that the business party often knows the various methods of recovery and how to use them. If the consumer is at a disadvantage in the small claims court and realizes it, this could account for much of the vast discrepancy between the number of consumer and the number of business plaintiffs. A consumer could often be too timid to face the unknown and afraid of failure as well.

In short, the layman's unfamiliarity with the machinations of the system; his feelings of being excluded and outclassed; his ignorance of the rules of evidence; his unawareness of the substantive law governing his case; in some instances his language difficulty; and in virtually every case his nervousness and inability to anticipate the next step, all lead to a system which is over-balanced in favour of the habitual and professional party. The very regularity with which laymen raise irrelevant issues suggests there must be a sizeable number of occasions on which a valid defence went unrepresented as well.

And then they went on to make various recommendations with respect to the protection of the consumer and the availability to the consumer of the procedures of the small claims court for the purpose of the individual enforcement by consumers of their rights.

If the Premier and the Attorney General of Ontario and their colleagues in the cabinet, including yourself, can go around the province indicating that traditional values mean an ability for the individual citizen to accept his responsibilities of self-reliance, then I think it is incumbent upon this ministry, in the field of the small claims court procedures, to make absolutely certain that not only is the consumer welcome in those courts, but the facilities are made available to him by which he can process his claim in such a way as to have a reasonable chance, that if he goes to that court, he can get something called an inexpensive, speedy decision and assessment of the value of his claim.

Many of these would mean curtailing the traditional adversary system of the small claims court. I commend the study to the minister. It's obviously in your files because it was sent to your predecessor. I think it's an essential area of the responsibility of your ministry for that purpose. If in fact, within the categorization which must take place of respon-

sibility between ministries it falls in the Ministry of the Attorney General because it's a court, then I would suggest that your ministry at least has a responsibility in conjunction with that ministry to so advertise the way in which the small claims court operates; that it would be possible for an intelligent lay person to appear in that court, inexpensively, and have his matters dealt with expeditiously and in a way which would determine to his satisfaction that, right or wrong, he had had his so-called day in court at that level.

I want to turn to this question of warranties for consumers. So far as I can tell, the minister made no reference to the warranties legislation in his opening statement, except a vague reference to this question of working in the field of housing for a warranty scheme for the new home buyer. I'm not going to deal with that topic. I'm not an expert in the particular real estate field or in the home warranty aspect of it, except to ask exactly where this government is on its home warranty programme. I'm sure my colleague, the member for Lakeshore, is much more knowledgeable in these areas than I am.

What is the relationship presently extant between your ministry and the government of Canada on the question of a so-called national home warranty system? This, of course, has been so mixed up with the power of the vested interests of the builders in the country that it will never find itself uniform law across the country unless this province, by way of initiative, as so often has been the case because of its size, not because of its relative importance, achieves it.

I want to talk about warranties for consumers, and go back to point out the problem that this ministry obviously has always had in dealing with consumer matters. The whole question of consumer warranties was dealt with by the Law Reform Commission a long time ago. The result, of course, was the bulky report on consumer warranties and guarantees in the sale of goods.

That report, published in 1972, had to say, in the whole of its concern about the problem, that the sale of goods in its non-consumer aspects was a matter separate and distinct from the problems to which they were addressing themselves because of the urgencies of the matter. Indeed, in the Law Reform Commission report for last year, published just a few days ago, they refer to the projects in progress as the law relating to the sale of goods and the report of the research team under Prof. Jacob Ziegel which was scheduled for completion on March 31, 1975, and would now be expected at the end of June.

So, presumably, so far as the sale of goods in its non-consumer aspects is concerned, that report to the minister from the Law Reform Commission will probably not reach your hands, or whoever is then the minister, until 1976. Maybe it will be in the hands of my colleague, the member for Lakeshore, in 1976 or 1977. But that's not the field that they're dealing with because, in the introduction to their report published in 1972—this report deals with warranties and guarantees in the sale of goods, and is the first instalment of a larger project involving the general law affecting the sale of goods—they specifically stated in the foreword to that report:

Priority has been given to this particular area of sales law at the request of the Department of Financial and Commercial Affairs [as this ministry was formerly named] a decision which reflects the particularly unsatisfactory condition of the law as experienced by the consumer protection bureau. The problems, warranties in the service field and also warranties in the sales field where the buyer is not a consumer, have been excluded. We have also confined our attention to warranty problems arising out of the economic losses, in short, with respect to defective goods which fail to meet the consumer's expectations. Thus we have not dealt in this study with that branch of the law of tort which is compendiously referred to as products liability, and which is concerned with the liability of a supplier or distributor for defective goods that cause personal injury or physical damage.

The reason I take the trouble to recite the foreword to the Law Reform Commission report is that they carefully delimited the field in which they were making their report, and made very clear that it could not be said that the one had to await the other, and that there is no necessary connection in delaying the implementation of their recommendations because of this longer study which, of course, touches upon many other areas.

They went on to refer to the review of the problems of warranties in the service field being excluded, not because of their inconsequence, but due to time limitation; that a separate study would be recalled; that time limitations also dictated the decision to restrict the present study to consumer purchases. In their foreword, they set out many matters, and in the course of their report, made some significant statements with respect to the unequal position of the consumer in the consumer purchase field:

The consumer is no longer in a position to evaluate the goods he is being offered

and he must perforce rely on the reputation of the manufacturer or the retailer to produce goods that measure up to his needs and expectation.

The consumer is encouraged to expect high standards of performance by the extravagant language in which modern advertising is couched. His sales resistance is further weakened by the ready availability of consumer credit, which has brought even the most expensive products within the reach of most Canadian families. The reality, unfortunately, is something else again.

There is a substantial amount of evidence that in some industries, notably the automobile industry, quality control has declined. In their desire to produce an even larger volume of units, manufacturers are releasing on the market an unacceptably high percentage of defective products. The problem is compounded by the inability or unwillingness of some industries to live up to the terms of their warranties, and the absence of adequate facilities to service the ever-growing number of consumer products. In some areas such as the carpet, household furnishings and used car industries, the lack of uniform quality standards has encouraged unscrupulous traders to force inferior merchandise on unsuspecting consumers.

There are various tables in that report. So far as they're within the purview of this particular ministry, when the time comes—if we reach that—I'll ask for an updating of the information which is set out in the tables in the early part of the Law Reform Commission report from the consumer protection bureau, and an analysis similar to it, so that we can have some comparisons to Table 1, Table 3, Table 4 and Table 5 that are in that report. I would hope that when we reach that particular item you will be able to give us the specific comparable fields and breakdowns of your total number of complaints that come through to your consumer protection bureau.

But I want to move on, because from that position the government moved to the green paper route. So we had the green paper published on Aug. 16, 1973, by your predecessor, explaining exactly what a green paper is and quoting from the Committee on Government Productivity so no one would be under a misapprehension that this represented policy of the government.

Of course it couldn't represent policy of the government because, you see, the Law Reform Commission was devoted to the protection of the consumer. Your ministry couldn't, of course, formulate its policy until the vested

interests who had failed to co-operate with the consumer—the Law Reform Commission—would be able to bring their pressure to bear, either to prevent the legislation being enacted in the form in which it should be enacted as it was recommended, or to delay it to the point where we don't have it today.

And what did the hon. John Clement say? On Aug. 16, 1973, in his foreword: "We would appreciate hearing from you by Nov. 30, 1973."

Then there was the task force. My notation is that it was set up on Nov. 20, 1973, and was composed of Mr. A. R. Walker as chairman, Dagmar Staff, an economist, as a member of the task force, and Virginia MacLean as counsel. I attended some of the hearings. Between us, in our caucus and in our research, we tried to attend all of the hearings that were held in Toronto. We heard all the representations made by various industries.

Those hearings were completed, according to my last comment, so far as Toronto was concerned by the end of 1973. I think the ones in the outlying areas of the province had taken place prior to the Toronto hearings. Not only have we heard nothing since, but it is obvious from the minister's statement in the opening of these estimates that he doesn't consider it of any significant importance.

The securities industry, of course, has all sorts of opportunities. Always, immense opportunities.

The unfair businesses practices bill. How many versions of it were around before we finally got to deal with it?

The fair credit reporting agency bill, or whatever we call it. The—

Hon. Mr. Handleman: Credit report.

Mr. Renwick: The Consumer Reporting Act. What a euphemism! The Consumer Reporting Act. If of course went through, I think, four versions of draft bills just to give the real vested interests the immense power to come in on them. How many drafts of the Securities Act have there been? I would guess there has been the one which is presently before the assembly—and, God forbid, unless we are sitting in July or August, we are not likely to get through that bill—unless of course, all the hearings have been held in camera within the ministry in connection with the securities legislation. But I can come back to that later. I just want to make the point that we never see a draft of that bill for exposure purposes.

At least that would be some indication that the government had some concern about consumer warranties and guarantees in the sale

of goods. There's nothing, and we are not so sanguine as to believe that law can't enforce standards of behaviour.

We tend to believe, with the former Dean Pound, that the law does little except enforce standards of behaviour. We don't happen to believe in the theory of the small number of businessmen who don't live up to high standards. The problem is much more complex than the known, small, reputable dealer in the corner store or the chap who, at his machine shop down the street, manufactures goods. You're talking about products which pose immense problems to a consumer to enforce the kind of warranties which are required.

I've gone on at some length but I think the topic deserves it because it mirrors again what we consider to be a total lack of concern or interest by the ministry in that particular field. Of course, it reflects the general attitude of the ministry toward consumer protection.

Mr. Lawlor: You're really intimidated on this, Mr. Minister. They got to you.

Mr. Renwick: Of course we will, at the appropriate time, presumably have an opportunity to deal specifically or in some more detail with trying to locate the burial place of the Law Reform Commission report on consumer warranties and guarantees on the sale of goods—and see whether it was a double grave into which the green paper was also consigned either by you or by your predecessor. We would like, when we take over the ministry, to be able to resurrect it, have a second coming of it, if possible, and see what could be done without having to wait quite as long as some of us Christians have waited.

Mr. Lawlor: It is buried pretty deep, Jim. Not an ordinary grave.

Mr. Renwick: If I may move to an area—and I know the chairman and the ministry will forgive me if I become, in a minor way, exercised about it—the investigative reporting aspects of the Consumer Reporting Act. I have nothing to go on in Canada because we don't have any information. We don't have any reports from the ministry. We don't know whether or not in Ontario Retail Credit has continued to operate in the identical manner in which it formerly operated; or whether there've been any changes in the way the Retail Credit Co. is operated. Perforce we must go abroad to where the Retail Credit Co. had its inception, its growth and its dominance.

I wouldn't want the minister to think for a moment that he can distinguish between the Canadian counterpart of Retail Credit and Retail Credit in the United States. It's one

single organization and there is no question whatsoever that, with variations, the practices in the United States of the Retail Credit Co. are identical to the practices which occur here.

About the time our bill was going through the committee we, of course, could make no changes in that bill for practical purposes because what we were doing was enacting the Ontario counterpart of the federal United States Fair Reporting Act. If you take the two Acts today and compare them you will see that our committee's exercise was one of futility, for practical purposes, because it was designed simply to reflect in Ontario law what progress had been made in the United States. I'm not denying it was a substantial step which the federal government in Washington took. About the time we were enacting it, representations were being made by the Federal Trade Commission, to the Proxmire subcommittee on banking and commerce of the United States Senate, about the very defects in the bill we were engaged in enacting. I wrote to the minister at that time—as a matter of fact, I didn't write to him, I asked him in the House whether he was aware of what was taking place in the United States and he said he was aware of it and he would follow up on it. I wasn't quite so sure he would follow up on it, so I followed up on it.

I can bring you, I believe, fully up to date but the problems are not as yet resolved. I wrote at the turn of last year, in January, 1974, to chairman Engman of the Federal Trade Commission. I got a very full and complete report back from Sheldon Feldman, the assistant director for special statutes of the federal trade commissioner in Washington, DC, and up in the left hand corner it had "Bureau of Consumer Protection." This is the bureau of consumer protection. We have a consumer protection bureau but the similarity of the terms doesn't indicate the similarity of the function which is performed in Ontario as compared to that in the United States.

He very kindly sent me some information with respect to their position about Retail Credit, and I'll be glad to make this information available. I usually chuck this stuff out at the end of the estimates or send it on over to the minister. I can do one or the other with it; if you consider that you want to have it, you can.

This is a damning indictment—I admit the matter is still before the administrative judge dealing with the matter in the United States about the allegations which are made about the practices which are pursued. I know that it is always a problem in raising matters

which haven't as yet been adjudicated upon, and I always have some reluctance as a lawyer to do so.

On April 21, 1975, in the New Yorker magazine, there is a lengthy, intelligent, concise article called: "A Reporter at Large," dealing with the present state of the matters which were dealt with in this complaint of the federal trade commissioner which is still going on. I would commend to the ministry this article—and I'll send them over my particular copy of it—as a brilliant statement of the kind of problems that your ministry must look into with respect to Retail Credit. They give examples. If you had a field force of persons that were concerned in your ministry about what is happening under the consumer reporting bill in Canada, you would be unearthing the kinds of problems that are illustrated in and throughout this report.

It is an article of such immense reportorial skill by Mr. Thomas Whiteside that it goes on from pages 45 to 101. I would suggest that you bring yourself up to date on it, but I wouldn't want you to think for a moment that, since this article is available to you, that I've finished my remarks about this because I want to put on the record the substance of the claim which is being made.

Mr. Sheldon Feldman wrote to me, and I want the record to show clearly what it is so there is no misunderstanding about it. He said:

The commission action with regard to Retail Credit announced on Dec. 18, 1973. [which was exactly the time, I think, that we were reporting out our bill] was a proposed complaint and order alleging violation of the Fair Credit Reporting Act which regulates the collection and dissemination of consumer reports and section 5 of the Federal Trade Commission Act which prohibits unfair or deceptive acts or practices in commerce. [Of course, we have an unfair Business Practices Act now.] It should be noted that the commission issues a complaint when it has reason to believe there is a law violation. Such action does not imply adjudication of the matters alleged. Since this action was issued as a proposed complaint under the commission's rules, Retail Credit was given an opportunity to negotiate a settlement with the commission. However, because the parties are unable to reach a negotiated settlement, the commission issued the complaint formally and set the matter down for adjudication. Enclosed is a copy of the complaint and order setting out the various allegations, along with an informative press release.

That's the one matter, and I'm going to come back to that in a moment. But on the other matter which he dealt with, he said:

The chairman recently testified before a subcommittee of the United States Senate to give the support of the Federal Trade Commission to a bill which would amend and substantially strengthen the Fair Credit Reporting Act. His comments reflect the commission's observation of the effectiveness of the existing law over the past 2½ years. I am enclosing a copy of his statement along with a pamphlet entitled, "Compliance with the Fair Credit Reporting Act," which contains the full text of the Act, as well as an analysis of the relevant sections.

Well, I assume that there is no such thing available anywhere in this ministry with respect to our consumer credit reporting Act. I don't mean for a moment that this is a glossy piece of advertising, or that everybody will sit down and read it, but it is an effort to explain, both to the public and to those who are interested in the problem, what the bill is about as well as having, as an appendix to it, the whole of the bill.

And, needless to say, in this article they said that Senator Proxmire and his committee ran into the same problems; that the amendments weren't passed because the lobby was massive which was mounted against it. But also I am delighted to know that it is the intention of Senator Proxmire's committee to again take up the questions of amendments to this Fair Credit Reporting Act. It also refers to the state of the matters related to in the claim filed by the federal trade commissioner, to which I'm now going to advert. I'm going to advert to it at some length. I'm going to do it synoptically out of the press report which was issued by the Federal Trade Commission. And then I want to do it out of the actual complaint, and out of the draft order which the Federal Trade Commission is trying to obtain about the business practices which they have reason to believe require correction.

The starting point is perhaps of some interest, because I do want it to relate to Canada. I quote from the opening paragraph of this article in the New Yorker magazine of April 21, 1975.

It is perhaps not by a mere coincidence that the widespread political invasion of citizens' privacy has occurred in an atmosphere in which commercial inquiries into the private affairs of individuals have become accepted as part of the price people pay for living in a credit-oriented society. The amount of consumer credit currently outstanding in this country is certainly of a

remarkable order. According to federal reserve figures, it grew from \$125 billion in 1970 to \$182 billion in mid-1974.

Well, if I may pause for a moment. In Canada, at the present time, the consumer credit outstanding on the books of selected credit holders reporting monthly reads \$16.3 billion at the end of March, an increase of 15.1 per cent from a year earlier. I think, for practical purposes, there's been an increase each year of from 10 per cent to 15 per cent in the amount of consumer credit outstanding.

The article continues:

And as the amount of credit extended to consumers has grown, so has the business of investigating consumers' personal affairs. Such inquiries embrace not only debts and assets and buying habits, but also employment records, medical records and personal lives—the last often in astonishingly intimate detail. For the most part, such information is collected by private agencies on behalf of a widespread corporate clientele, and the agencies' activities constitute a service business that probably grosses \$1 billion a year.

It then goes on to deal with the credit bureau type of operation. And I want to be clear that our party, and my colleague and I, in the course of the debate on that bill, accepted the credit bureau need—the credit report in its strict sense. The direction of our complaints was entirely as against the investigative type of report which is mirrored in our particular area.

In the United States—you can usually divide by 10, and the figures which they give come very close to the figures that they have in Canada at any given time. In the United States, 50 million reports on citizens are currently in the files of commercial consumer investigation agencies, such as Retail Credit, and I would assume that we wouldn't be far off if we said there were about five million reports on Canadians throughout Canada.

The complaint which was levied against Retail Credit is:

According to the proposed complaint, served under the FTC's consent order procedure, Retail's investigative personnel misrepresented that they are agents of the company to which the consumer has applied for a benefit; the information furnished by the consumer will be used exclusively by the company to which the company has applied for the benefit; certain investigations are routine credit checks. [Those are the misrepresentations.]

The complaint also alleges that the firm misrepresents, both in its reports and in its

promotional literature, that the subjects of its reports are interviewed in person, that their homes or neighbourhoods are observed directly, and that all the sources listed on the reports are interviewed.

Additionally, the complaint alleges that Retail Credit violates the Fair Credit Reporting Act by providing a voluntary follow-up service to its customers, and thereby furnishing consumer report information to individuals who are not authorized to receive it. Retail Credit reports the existence of obsolete, adverse information through the use of certain stock sentences and by masking out driving violation information which is more than seven years old on motor vehicle reports.

The complaint says that the firm violated the provisions requiring the establishment of procedures to assure maximum possible accuracy of information contained in consumer reports by requiring from its employees a salary-production system which requires its personnel to complete or prepare an unreasonable number of reports per day; a quota system which requires investigators to develop a certain percentage of adverse information; a procedure whereby an investigator is credited for a reinvestigation only if it is proven that he was accurate in his initial investigation.

Then there are questions of disclosure in the complaint, which elaborates upon the matters which we referred to more laconically and cursorily in the allegations—I excuse the legal language:

In the ordinary course and conduct of its business, the aforesaid respondent, through its investigative personnel, prepares reports, including consumer reports, investigative consumer reports and claims reports by interviewing the consumer and others telephonically or in person. In these interviews, respondent's investigative personnel in certain instances represent directly or by implication that (1) they are agents or employees of the company to which the consumer has applied for a benefit such as insurance and (2) the information furnished by the consumer or others during an interview will be used exclusively by the company to which the consumer has applied for a benefit such as insurance.

Then there is the rebuttal in the complaint:

In truth and in fact, the respondent's investigative personnel are not agents or employees of the company to which the consumer has applied for a benefit, and the information furnished by the consumer or

others during an interval will not be used exclusively by the company to which the consumer has applied for a benefit. The information is added to respondent's files for future reference in connection with any subsequent request by other customers for reports on the consumer who is the subject of the interview.

They go on to elaborate on that particular part about it.

In the ordinary conduct of its business, the respondent's investigative personnel in the preparation of certain reports, such as claims reports, employ an interview technique whereby they interview consumers and others and represent, directly or by implication, the investigation is for a specific purpose, such as a routine credit check or other similar unrelated purpose. [And the rebuttal.]

In truth, and in fact, the purpose of the investigation is often other than as represented. For example, in certain instances the purpose of the investigation is an evaluation of the consumer's claim for loss or injury under the terms of an existing insurance policy and the purpose of the interview is to observe the consumer's physical appearance, movements, or mental or physical capabilities. Such a claim for loss, or injury, is of high significance to the consumer. The use of the interview technique, as aforesaid, results in information being gathered under false pretences. Furthermore, information gathered in this way will be retained in respondent's files for possible use in reports for other customers. Therefore, the practice is an unfair, false, misleading, and deceptive one in violation of section 5 of Federal Trade Commission Act [and presumably, of our unfair Business Practices Act].

In the ordinary course and conduct of its business, as aforesaid, respondent, by and through its reports, its promotional literature and other means, represents directly or by implication to its customers that its reports are compiled from information obtained through in-person interviews with the consumer who is the subject of the report, or his friends, neighbours or associates; from direct observation of the consumer's home, neighbourhood or other physical surroundings; or through interviews with the sources indicated on the reports.

Typical and illustrative of these representations, but not all-inclusive therefore, are the following statements found in respondent's actual reports:

"1. The consumer presents healthy appearance with no obvious impairments or apparent tensions.

"2. The consumer's residence seems small and inadequate.

"3. The consumer had a white gauze bandage tacked over his eye to shield it from the light."

The representations as to the manner in which the information in the report is gathered—that is, through in-person interviews with the consumer who is the subject of the reports, or his friends, neighbours or associates; from direct observation of the consumer's home, neighbourhood or other physical surroundings, or through interviews with the sources indicated on the reports—are relied upon by users such as insurance companies in evaluating the validity or accuracy of the information in the reports. Moreover, in certain instances, users rely upon the information in the reports to determine the consumer's eligibility for a benefit such as insurance, or to increase the rate for, or to cancel the consumer's insurance coverage.

In truth, and in fact, in certain instances, the consumer who is the subject of the report, is interviewed only telephonically rather than in person, and that includes his friends, neighbours or associations.

The consumer's home, neighbourhood or other physical surroundings are not observed directly as represented. All sources listed on respondent's reports are not interviewed as represented, either in person or telephonically.

In any event, it goes on at some considerable length.

I'll make it available to the minister because it would appear to me, if there's any significance to the consumer reporting bill we've enacted in this assembly, and the unfair business practices bill that we've enacted in this assembly, there is no reason to suggest for one single moment that Retail Credit of Canada, being a subsidiary organization of Retail Credit in the United States, does not, at least, merit the kind of investigation which the Federal Trade Commission did in coming to the conclusion it had reason to believe this kind of violation had taken place, and to make certain some action is taken to protect the consumer.

There are many other allegations in that complaint, but I suggest to the minister the time has come that if we in this assembly passed a bill which mirrored what was passed in the United States dealing with the investigative aspects of credit reporting—and not the strict

credit report—then, because we passed a similar bill under pressure from the same vested interests that operate in the United States it must, of necessity and logic, require you to dispatch someone from your ministry to the Federal Trade Commission in Washington to review in detail what the Federal Trade Commission knows about the practices and procedures of the Retail Credit Co. and to require the Retail Credit Co. of Canada to explain formally to you whether or not any of the allegations which are involved in that complaint merit further investigation or action by this ministry.

I think it is a matter in which you as a minister and your ministry as a ministry will be in immense default if you ignore this. It is no answer to say you are now going to await that report and the implementation of whatever that investigation leads to before you do anything here in Ontario.

I do not accept and no thinking person would accept that Retail Credit in Canada operates any differently, in any substantial degree, from the way in which Retail Credit operates in the United States of America. The whole basis, the whole background and the whole grounding of it are the same. They have, if not quite a monopoly, control of the vast part of those particular investigative reporting techniques.

My colleague from Lakeshore and I hold the same views we held at the time the bill was debated in the assembly and when it was in committee. The provisions of that bill and the activities of that company are offensive if the right to privacy of individual citizens in the Province of Ontario is to be of any significance whatsoever. We can come back—

Mr. Lawlor: More than that, it should be segregated and dealt with as a separate and autonomous matter, not only for investigation but with a view to amending the legislation because it's weak at the present time.

Mr. Renwick: It really did a disservice to the credit bureaus to have them linked to a bill which covered that form of investigative reporting. They would have loved to have got out from under that cover because they don't want to be tarred with that kind of brush; they don't want to be mixed up in that kind of nonsense.

If the initiative doesn't come from this ministry, the only other place it can come from is the insurance industry. I know of nothing which would indicate or make me believe that the initiative on that would ever come from the insurance industry. I may be wrong and when we come to the estimates of the superintendent of insurance and the registrar of loan and trust corporations we can talk a little

bit more about some aspects of that particular problem which require investigation.

So that our limited research facilities will not be overburdened, perhaps the office of the superintendent of insurance would let me know, at the time we come to those estimates, how much life insurance is in force in Canada; how much general accident insurance is in force in Canada—in the Province of Ontario also—and what are the premiums which are earned in the life business and in the general accident business so that we can get some estimate of the relative income of Retail Credit of Canada in Canada and in the Province of Ontario, in its relation to the premium income which is paid and the practices of that particular company.

Mr. Chairman, if I may, I'm very anxious to know what the position of the ministry is on the credit union bill. There is no reference, other than this consultation with credit unions around the province, to outline the provisions of the proposed new legislation. Am I wrong; have I missed a beat somewhere? Is there a bill that has been tabled? I didn't think there was.

Hon. Mr. Handleman: No, Mr. Renwick, there was a statement made in the House indicating there would not be a bill in response to our meetings with the credit unions.

Mr. Renwick: Well, I am a little bit concerned when I find that the provisions of proposed new legislation are being peddled around the province rather than being done through an exposure bill, which is the best way to deal with that kind of bill. There is no question whatsoever that it is the best way to deal with it.

Estimates are open business, and we are not supposed to be engaged in trying to play cat and mouse with each other about what's going on.

I am concerned about the process, with respect to the last Securities Act—the last draft, the one prior to the one which now stands on the order paper. When I asked for them, I got all of the briefs which were submitted; the stack of briefs was about that high.

I am not concerned that I could have, had I had time, participated in a small group to go over and explain to me and to a representative of the Liberal Party, and presumably anyone else, what the digestive process was that led to all of the various amendments which are made—but I don't believe that is the way it should be done.

I think that last bill, the one before the one which is on the table, when all of the immense in-ministry pressure comes on, should have been done in a committee. I don't think you

can for one single moment pass the Securities Act any longer in the Province of Ontario in the way in which that one has been negotiated.

I would doubt very much whether the new Securities Act is going to take very long in committee now, because the industry and all its branches have already had their say. And if there is one thing that you have to learn about the securities business, which you can't forget about the securities business because of the nature of the securities business, is that the men chosen to supervise it must have the experience in and must come from the very financial community which they are then in the role of having to supervise.

It's an extremely specialized field. You can't trust it to amateurs. Roosevelt knew that when he appointed Joseph Kennedy to be the head of the first Securities and Exchange Commission. That will, perforce, always be the case. But the counterbalance to that club atmosphere in the Province of Ontario—and it is far more rife in the Province in the Ontario than it is in business and government relations in the United States; at least as we knew it at one time—is that you have got to have public hearings.

You can't say it is such an obtuse topic that nobody is interested in it. It affects the lives of many, many people and many, many people, while they may not understand it, would at least have the opportunity of having the debate and discussion take place in the open. I simply register that as an immense objection that I have to the way in which the new Securities Act will come forward.

I can understand it; because with the heat of summer coming on, the pressure of an election, and the end of the session, and the fact that all of the briefs have already been processed through the ministry, it means that for practical purposes the bill will go through before the end of June, if the minister wants to pursue it that way—and assuming that we let him out of these estimates so that he can do it as well. But that's wrong. That's wrong just the same as it's wrong with the Credit Unions Act, just the same as it's wrong with whatever your draft is of the consumer warranty legislation.

You are, if anything, required to be an advocate and a protector of the consumer, since you don't have a consumer advocate. The way you protect the consumer in any place is to have it open and out in the public forum for debate and discussion and argumentation, and so that we can all hear the special pleaders.

Everybody has special pleadings—that is quite legitimate. But there is the law of compromise—and this is another famous phrase

being peddled about the province by the Attorney General and other ministers, that our society is one of compromises. If they are to be the kind of compromises to which the reference is made in those eight speeches of the Attorney General and your predecessor in this office, those compromises have to be reached out into the open and into the public and not behind the closed doors of the ministry.

There isn't a member of the ministry staff in this room or in the ministry who thinks for one moment that I am making a personal judgement about their competence, or their objectivity, or their integrity. What I am saying is, the nature of the process requires that these matters be dealt with openly and in public, particularly in an area where the public interest is vastly influenced. I had occasion to question the Attorney General, who, as you know, has three hats—the Provincial Secretary for Justice, the acting Solicitor General, and the Attorney General of the province—quite recently and I said to him: "My God, how do you handle all three?" "Oh," he said, "compared with the Ministry of Consumer and Commercial Relations, it's a cinch."

Hon. Mr. Handleman: That is what he tells me too.

Mr. Renwick: "It's no difficulty at all," he said. I said: "Why?" "Because you have meeting after meeting after meeting with people who have vested interests." That's my language; that's my translation of what he said. He can have meetings before breakfast, at breakfast, at after-breakfast coffee, before early-morning coffee, at early-morning coffee, "all day and every evening, and then you have to go to either a luncheon or a dinner."

He said: "The last dinner I went to, at the officers' mess of the Royal Canadian Mounted Police, was just like an old mess dinner; no pressure, no tension, no danger of me being put in the cells, and so on; but as Minister of Consumer and Commercial Relations I had to go to a dinner of the insurance agents of the Province of Ontario. My God, no wonder I had to go into hospital."

And with that I end my remarks. This is an important ministry, what you are about is important, it's a public ministry and it's got to be dealt with that way.

Mr. Chairman: Thanks, Mr. Renwick. Have you some comments, Mr. Minister?

Hon. Mr. Handleman: Mr. Chairman, I just wanted to respond very briefly to the opening remarks of the critics of the two parties. First of all, I want to thank them, because I think in their comments there were a number of con-

structive remarks, constructive comments, as well as some criticism which we can, in some cases, deal with and in other cases admit to being valid.

First of all, on the question of whether or not we do enough, I think we would be the first ones to admit that, much as we would like to do it, we can never do enough. We certainly want to do more.

One of the things that was difficult for me, in coming into this ministry, was to ascertain in its diverse operations what its philosophy was, because it has that apparent dichotomy in terms—consumer and commercial relations. It didn't take me very long to accept and to try to promote the philosophy that all of our relations, all of our regulatory actions, all of the various divisions of the ministry, are consumer oriented; whether it be a small investor, a bettor at a racetrack, a purchaser of liquor, a person who is in the vicinity of a boiler or pressure vessel, a person who uses an elevator—all of these people are consumers, and all of our regulatory activities are aimed in that one single channel.

I can't say this too often—I have to keep saying it, because it is difficult when you have this diversity of operation to recognize that there is a single philosophy—whether or not it is consumer protection, as Mr. Renwick would like to call it, or consumer relations, or consumer services, we do recognize that consumers are our client group as a whole, and we have these other diversities that my predecessor talks about and which have been translated as being vested interests.

The advertising programme that Mr. Edighoffer mentioned we have undertaken has been received very well on the whole. His perception of it is very accurate and we have just done a survey to determine whether or not the public does know what we are saying, who we are and what we are about. The report—I just received it the day before yesterday and I read it last night—is a very interesting one, which indicates this advertising is most effective. It has a very, very high rate of perception on the part of the public. They even know who is doing it, for the most part, which is unusual when you consider the proliferation of consumer services which are available—the Better Business Bureaus, the federal government, municipal organizations; everybody is in on the act—they did know that Ontario's consumer ministry is doing something.

The whole advertising programme, I want to say, reflects our belief that rather than protect the consumer, which is sometimes seen to be our role, we feel that we should inform the consumer. An educated and informed consumer

relieves government of a task we should not really be in the position of having to assume. I know this is a question of philosophical approach. We do feel that, and we recognize there are others who feel differently. *Vive la difference.*

Some comments were made by Mr. Edighoffer on statements made by my predecessor. The Insurance Act, I can assure you, is under review. We are considering the McWilliam recommendations.

Mr. E. W. Martel (Sudbury East): Auto pact.

Hon. Mr. Handleman: We expect to have some introduction. It isn't a complete revision of the Insurance Act that we are proposing in the early future. We expect to be bringing forward some amendments.

I think Mr. Edighoffer and I agree we have taken the right approach with the credit unions. Mr. Renwick feels we haven't. I don't know whether Mr. Renwick is saying the credit unions, their boards and their managers, are not representative of the people who would be affected by the legislation which was proposed. Certainly it was an open discussion. I've never seen anything so open in my life.

We met with them in 15 different centres in the province. The majority of the credit unions were represented in those meetings. The message came through loud and clear. I've been accused by at least one member of Mr. Edighoffer's party of having backed away. I don't know whether he would have had me rather forcefully thrust the legislation on the credit unions when it was quite obvious they weren't prepared to accept it.

We have tried to arrive at an accommodation of their point of view. I think we have achieved it. You must remember, while the credit unions have operated very responsibly in this province, nobody has lost a dollar in a credit union failure.

Not everybody is a member of the Credit Union League. Not everybody is a member of the Federation des Caisses Populaire. As a result, we have a lot of independents, particularly the largest credit union in the province which is not a member of either of those organizations. It is not really anxious to see enforced membership so they can avail themselves of the stabilization fund. We'll get into that when we get into the department of insurance.

I will briefly comment on the article in the Toronto Star on auto insurance. It consisted of a great deal of part truths and a great deal of inaccuracies. The corrections have been made, I think, very effectively. I don't think it will be necessary for me to go into those now.

Though again, I am sure we'll be discussing insurance when we get to that part of the estimates.

My parliamentary assistant has promised a provincial home warranty plan by the end of the year. I've been urging the people involved to move a little faster. We are now establishing the internal working committee to develop the legislation. I really think it can be done faster. There is a model we can look at which is not, of course, in Ontario, but we can take a look at it and adopt some of its better features.

Sometimes we've found, as in petroleum guidelines, you don't achieve perfection. You do what is possible as quickly as you can, because there is an urgent need. I've recognized this.

Many of the complaints, and my parliamentary assistant has been dealing with a lot of them on home warranties, are genuinely about the work. These are shoddy workmanship and bad business relations. We think we would like to do something to protect the person who is mortgaging his life income in order to have a roof over his head.

We think there should be some guarantee of standards. What those will be, and how they will evolve, I really don't want to try to anticipate now. I'm sure the legislation will not be perfect, as any pioneer legislation is not perfect. There isn't any in Canada at the present time. Depending on the federal government to do it, I can tell you, would be fruitless. They don't consider it too important. Some of the other provinces don't either.

With regard to the petroleum guidelines I would like to say they are now working. They were developed by consultation with the organizations mentioned, the Ontario Petroleum Association, the ORCA and the ATA.

What eventually evolved again was not completely acceptable to any one of the three. But, it was felt it was better to have something working than to sit and try to achieve perfection which obviously wasn't going to be arrived at by a voluntary negotiation. We have discussed it. We will continue to improve. I've been getting letters recently which indicate they are working. Both sides in the agreement are conforming to the conditions of the guidelines.

The Business Practices Act, as pioneer legislation, undoubtedly has imperfections. I have listened to the eight points made by the member for Riverdale. I am a little disappointed—and I have expressed this publicly; it has resulted in some reaction—that since May 1—and he asked this question—when the Act was proclaimed, we have not had a single complaint under the Act.

Having said that, and my comments having been published on the front page of the Toronto Star under the heading, "Consumer Beefs Wanted," I can assure you the consumer beefs have been coming in. They are not related to the Business Practices Act, except in one case which I read today and which I have referred under that Act and I hope that we will have some action under it.

I understand, although I wasn't present during the debate, that most of the points of views of the vested interest groups were resisted, that their points of view were not accepted and that the Act proceeded despite their objection to many sections of it. As a matter of fact, my parliamentary assistant and I today were discussing one organization which resisted them most strongly and has now accepted it. I understand he will be speaking to them in all congeniality some time tomorrow evening.

Certainly people object to what they feel is being imposed on them. That doesn't necessarily mean that government has to give way, and I am proud of the record of this government in resisting for the most part—not always; in the credit unions I gave way because I felt that it was not for the benefit of a vested interest but because I felt in the public interest.

Mr. Lawlor: Who is that? The advertising boys or the insurance?

Hon. Mr. Handleman: I am talking about the credit unions.

Mr. Lawlor: Credit unions?

Mr. Renwick: You are talking about the stabilization fund—

Hon. Mr. Handleman: Yes, I have accepted their position on it.

Mr. Renwick: I wouldn't criticize that—

Mr. Lawlor: That's a different problem.

Hon. Mr. Handleman: Okay, but I am saying there are vested interest groups and there are vested interest groups, and some of them we listen to and some of them we don't. I think we should be given credit, particularly in the Business Practices Act, for having resisted some of the vested interest pressures that were put on the minister at the time and on the parliamentary assistant during the committee stage.

As far as publicizing it is concerned, I just approved yesterday two pamphlets for distribution, one directed towards the business community and the other to consumers. Both of them point out what we consider to be typical offences under the Act and, to the consumer,

how he can recognize an unfair business practice. We hope distribution will be as wide as possible. That is a mechanical problem, but I have no reason to believe that we will not get as good distribution as we get now on those pamphlets which are available and which we will make available to you, Mr. Renwick, before we go into any of the votes. I think you asked to know which pamphlets are now available, what languages they are printed in—

Mr. Renwick: Throughout the ministry.

Hon. Mr. Handleman: Yes, we will have those ready for you.

Mr. Renwick: Maybe a display board?

Hon. Mr. Handleman: There are places. We are trying to make arrangements with those people who have public premises, which we don't have, to have them available for distribution. It's a matter of resources. We are operating under certain restraints, but certainly we recognize our responsibility to inform the public.

I was not involved in the meetings with Prof. Ziegel and his students. I am certainly familiar with their work. We are aware of the defects in the small claims court; the Attorney General unfortunately, as my predecessor, was not in a position to do anything about reforming the small claims court system, but he is now.

Mr. Renwick: Do you have copies of that study in your ministry?

Hon. Mr. Handleman: Yes, we do; and there is a great deal of truth to what you have said.

First of all, the statistical data is absolutely accurate. I don't like to attribute attitudes to the courts, but there has been a tradition grow up wherein the services of the court are used mostly by those who are seeking to recover from a consumer, rather than the consumer using the court in order to obtain his rights.

I know that almost on a daily basis I have suggested to a number of consumers in relatively small matters—they may be important to the consumer, but in terms of money they are quite small—that perhaps the small claims court is the forum, that legal aid may be made available and that we feel the small claims court should be more attuned to lay needs than it is. Perhaps solicitors might help us a bit by staying out of the small claims court and letting laymen argue their cases.

Mr. Lawlor: In Quebec, they keep them out of court.

Mr. Renwick: If I may just interject. Perhaps I didn't speak glowingly enough about it. That is a superb empirical study within the limits that they set themselves to do. Strangely enough, it is much better than anything that has been done by the Law Reform Commission in terms of analysing that particular court's activity.

Hon. Mr. Handleman: I was going to come to the Law Reform Commission. I want you to know the Law Reform Commission report is not hidden. As a matter of fact, it is in my desk, not on it. I read it very carefully, as a back-bencher when it came out. It inspired a private bill which I brought into the House—and I think one of the comments from your side was, "It's a strange bill for a Tory to present,"—dealing with automobile warranties, because I was very much impressed. And because of the fact that one of the members of the Law Reform Commission who is a very close friend, and a very good neighbour of mine, and who is one of the more quote radical unquote members of the commission in terms of consumer warranties, has pressed me, personally to act on it.

I want you to know that was one of the first priorities I had. I said, "Well, I'm going to be in consumer relations, I want to see what's happening to consumer warranties legislation." Not being a lawyer, I must listen to some of the people who are. And I am told it is very complex declaratory law. That—

Mr. Renwick: Don't listen to lawyers.

Hon. Mr. Handleman: Well, I have to listen to one. But I want you to know that the first draft of—

Mr. Renwick: That's why it's complex.

Hon. Mr. Handleman: But it is being brought along. Whether or not it is going to see the light of day in the Legislature before the end of June, I really can't promise you. I do know that I asked where it was. This is what I wanted to know when I came in. And it has been—

Mr. Renwick: Strangely enough, you might be doing a service to the Attorney General, and to yourself, if you transferred that jurisdiction over that particular court into your ministry, and perhaps renamed it something—

Hon. Mr. Handleman: Something called the consumer services court, or something of that nature. Although I have a number of responsibilities, I would very gladly trade one that we have been dealing with this week, for that one, any day of the week. But I listened with

great interest to your fairly lengthy comments on the retail credit legislation. It took me a while to realize that you were talking about our Consumer Reporting Act and its relationship to the legislation in the United States.

Mr. Renwick: I am sorry, I was so—

Hon. Mr. Handleman: I am not familiar with the American legislation, but I am advised that our Consumer Reporting Act is not identical obviously. There are differences to the US legislation, and one of these is fairly major. That is that we register the agencies and their investigators, and have the power of sanction against them in the event of misrepresentation.

I have been surprised myself, in view of the publicity that accompanied the passage of that Act, that there have not been more complaints under it. I have seen a few cross my desk, which were addressed to me personally, and I assume that our registrar receives some from time to time, but for the most part they seem to be ironed out relatively amicably and without any punitive action having to be taken.

Mr. Renwick: But it's extremely difficult in the investigative reporting field. It's so imbedded in the tradition of obtaining an insurance policy, and most people need insurance, one way or another, of various kinds—and Retail Credit is mainly concerned in that area—

Hon. Mr. Handleman: Oh no, I—

Mr. Renwick: It is extremely difficult—

Hon. Mr. Handleman: Well, we will get some statistics, I am sure, which will indicate to you that Retail Credit is involved more in actually obtaining retail credit information for merchandise, rather than for services.

Mr. Renwick: We can argue about that. But I am just talking about this article.

Hon. Mr. Handleman: I would like to see the statistics. I'm guessing, but I am pretty sure that that would be accurate.

We have all those reports on the Federal Trade Commission in the ministry. They are being watched. I would like to see the New Yorker article. We don't have a subscription to the New Yorker, and I don't have time to read it. But I will certainly read that one because normally the writing is relatively simple.

We do have the power of sanction against them. Looking at the figures—we had those figures updated incidentally, for you, before giving them out—the number of agencies that are licensed under the Consumer Reporting

Act is 70, with 23 branches and 442 investigators—

Mr. Renwick: What does Retail Credit have?

Hon. Mr. Handleman: Well, that is under the Consumer Reporting Act. All of these people that are doing investigations for retail credit are registered under the Act.

Mr. Renwick: I am talking about the Retail Credit Co.

Hon. Mr. Handleman: The company itself?

Mr. Renwick: The special company.

Hon. Mr. Handleman: When we get on to that vote, I will try to get you that information. All of their investigators, presumably, are licensed under the Act. If we received a complaint that indicated to the registrar an offence under the Act, I am sure he would take action. We haven't had those kinds of complaints in any large numbers; there has been the odd one.

Mr. Renwick: May I just clarify before we go too far? I was talking entirely about a company called the Retail Credit Co.—

Hon. Mr. Handleman: Yes.

Mr. Renwick:—and the investigative reporting which is the principal part of their—

Hon. Mr. Handleman: I will certainly have that looked into before we come to the vote. I'm not aware of any complaints against them.

I just wanted to conclude my comments in this preliminary stage by saying I feel that the process which you complain about—drafting bills and having industry representation made to us and then reacting to that and bringing forward the revised legislation—is really a good process. It saves the very valuable time of this public forum. But there is a stage, and I hope there always will be a stage, at which there is a public discussion. This, of course, is during the debate on principle and during the clause by clause examination of the legislation.

I have committed myself to that legislation being brought into standing committee. I hope you're right. I hope that it will not take too long to go through standing committee. But I think you may be surprised by the number of people who are not happy with what we have done, and who will avail themselves of that opportunity to put forward their views once again.

Mr. Renwick: I'll be glad of that.

Hon. Mr. Handleman: I'm sure you will see them.

That is really all I did want to say right now. As I say, I've enjoyed the opening comments very much and I look forward to the examination of our votes.

Mr. Chairman: Thank you, Mr. Minister. May we proceed with vote 1301, item 1, the administration programme, item by item? Item 1, main office. Is there any comment here?

On vote 1301:

Mr. Renwick: Mr. Chairman.

Mr. Chairman: Mr. Renwick.

Mr. Renwick: I have just now received the summary which has been made available for the ministry as it now exists under the vote. I happen to still have what I believe to be last year's organization, and I'm looking at the dollars that are being talked about. I notice that your main office has gone down and that the management secretariat has gone up. And in the organization chart, the management secretariat is shown as an adjunct to yourself and the deputy minister. Perhaps you could explain whether or not the chart reflects an actual structural change in the ministry, or whether it is just a method of presentation.

Hon. Mr. Handleman: No, it's simply a transfer of the communications function from one area of the main office to another. A reduction is reflected in the main office vote and the increase is shown in the management secretariat, as you've noticed.

Mr. Renwick: What are the particulars? Is it roughly \$300,000 that is the difference between the first two votes this year from last year? Do you happen to have the actual figures for last year?

Hon. Mr. Handleman: Yes; as I say, there is a communications function which includes the advertising programme that we're doing; consumer resource centres; some policy studies. Is that the entire thing? I think Mr. Young can explain that.

Mr. J. K. Young (Deputy Minister): It's rather difficult to answer that directly, Mr. Renwick. Possibly I could tell you what this communications programme consists of and that might help you. There have been certain things added and subtracted from the main office and from the secretariat. The communications programme consists of \$275,000 for the ministry, of which \$75,000 was for an ethnic advertising programme which we did through the Ministry of Industry and Tourism.

Included in this advertising was our \$150,000 radio advertising programme which was com-

mented upon earlier. We have a newspaper advertising programme which is very small, \$25,000. It's largely to cover the cost of print advertising on the Business Practices Act, our new Travel Industry Act and other items as they're proclaimed.

In public relations services, there is a sum of about \$45,000. There are certain skills required in the communications area which we do not possess in the ministry and which we procure outside. These cover pamphlets, statements, mailers, certain audio-visual presentations, design services and other small expert talents which are not available. That communications programme was previously in the main office and it is now in the secretariat.

Mr. Renwick: Is that the total scope of the advertising programme of the ministry?

Mr. J. K. Young: No, sir. In addition to that, each of the programmes has certain moneys available to the programme manager.

Mr. Renwick: Could I talk in global terms for a moment about the advertising because that is an area I want to get an understanding of? What would be the overall sort of global figure the ministry has available to it for what could be called advertising and PR purposes?

Mr. J. K. Young: In this particular vote, \$175,000—direct advertising on radio and in newspapers, \$175,000; public relations \$45,000. Then there are pockets of moneys available, as I say, and I will have to get that for you, Mr. Renwick. We haven't totalled it up in that manner.

Mr. Renwick: All right.

Hon. Mr. Handleman: We can probably do that vote by vote. As we come to an activity, you can ask what moneys are being spent for it.

Mr. Renwick: I am not worried about that. Because I ask a question—

Mr. J. K. Young: I think it is fair to say, however—

Mr. Renwick:—you don't necessarily have to have the answer immediately but at the end of the estimates I do want to have an idea of the overall amount of money which is spent for advertising purposes in the various media and how it is distributed.

Hon. Mr. Handleman: You are concerned with media advertising, are you? We also have publications which are not media.

Mr. Renwick: I am talking about communication material, print material which could be

classified as either PR for the ministry or for advertising of its programmes. Let's call it all advertising—radio, television and print. I am thinking about the communication between the ministry and its constituency, the consumer in Ontario.

Hon. Mr. Handleman: We may have some difficulty in defining areas of activity. I am thinking of one which is not in the estimates, which we discussed the other day; whether the directives on advertising would be considered promotion of that particular activity of the liquor board, I don't think it would. It is an informational thing for everyone to know about and it really doesn't promote the activity.

We will certainly do the best we can, on an activity-by-activity basis, to pick out from the figures we have available what is being spent on public relations, media advertising and promotion.

Mr. Renwick: I have a sort of gut feeling about it. You have a very negligible advertising programme, really, compared with, say other ministries.

Hon. Mr. Handleman: It is not a word I would use. I would say perhaps we don't have as much as we would like to have.

Mr. Chairman: Shall item 1 carry?

Mr. Renwick: No. Item 1? Yes, item 1, sorry.

Mr. Chairman: Carried. Item 2, management secretariat. Any comments there?

Mr. Edighoffer: Again I would say that services, \$489,000, seems to be a figure which has increased more than in any other section in the whole estimates. The salaries and wages are the same. I guess that means nobody had a pay increase.

Mr. D. M. Deacon (York Centre): Are you getting more efficient? Fewer people?

Mr. J. K. Young: You will recall, sir, that I indicated a \$275,000 increase in the secretariat which was taken out of the main office last year. That accounts in bulk, or mainly, for that large increase.

Mr. Edighoffer: Sure.

Mr. Chairman: Shall item 2 carry?

Mr. Renwick: When I look at the breakdown of your vote, what is this programme support division? I have an idea now about the management secretariat, but the programme support division appears as a separate item and it doesn't appear to be reflected in administrative services, financial services or personnel

services. This is the one handled by Mr. Vetere, is it?

Mr. J. K. Young: On your chart you will notice programme support. It is the only division of the ministry which does not deal directly with the public. It deals with the ministry itself and supports all the other divisions.

Mr. Renwick: It is included somewhere in the dollar amounts dealing with administrative services, financial services and personnel services?

Mr. J. K. Young: That's right, sir, yes.

Mr. Renwick: Turning over the page past the chart, the minister and the deputy minister are in the main office. Is that correct?

Mr. J. K. Young: Yes, sir.

Mr. Renwick: The management secretariat seems to be explained on the chart. The programme support division picks up the next three votes then. Is that correct?

Mr. N. A. Vetere (Executive Director, Programme Support Division): Three items.

Mr. Renwick: That is the administrative services vote, financial services vote and the personnel services vote?

Mr. J. K. Young: Yes, sir.

Hon. Mr. Handleman: I might just say for the record that this is Mr. Vetere, whose name you see at the top as executive director of the programme support division.

Mr. Chairman: Does item 2 carry?

Mr. Deacon: You have \$145,000 roughly, in advertising in that service. What's the balance of that \$340,000?

Hon. Mr. Handleman: In services itself? We have legal services.

Mr. Deacon: Legal services just for the ministry or for every department?

Hon. Mr. Handleman: Oh no, for the ministry.

Mr. Deacon: All the way through; whether it's securities or anything else?

Hon. Mr. Handleman: The securities commission has some within its own organization. When we come to that vote we can examine the structure.

Mr. Deacon: What about when it comes to the various tribunals and things like that? Is this all your legal services?

Hon. Mr. Handleman: No. This is legal services for the ministry, headed by Mr. Ciemiega, who is here; or he was here.

Mr. Deacon: How many are in that legal services side and what's the cost of that?

Mr. J. K. Young: I haven't grasped your question yet.

Mr. Deacon: I was wondering how the balance of \$340,000, roughly, in services, is distributed. We have already had the indication \$145,000 of the \$489,000 is advertising. Where is the balance? You said part of it's legal services. How much of it is legal services?

Mr. J. K. Young: I don't know where you got that figure.

Mr. F. Drea (Scarborough Centre): That was the difference. The \$145,000 was the difference you explained on the changeover.

Hon. Mr. Handleman: We've got \$275,000, which is the transfer of communication services from the main office activity. This is what we're talking about.

Mr. Deacon: I thought that \$145,000 was the advertising; that it was communications of all sorts. It's \$275,000, you say?

Hon. Mr. Handleman: The \$275,000 is radio advertising, newspaper advertising, public relations services, printing—

Mr. Deacon: That's in services under this management secretariat, is it? The \$275,000 comes under that \$489,000 in effect, for all that advertising?

Hon. Mr. Handleman: You have \$275,000 out of the \$489,000?

Mr. Deacon: Yes.

Hon. Mr. Handleman: Yes.

Mr. Deacon: It is advertising? I thought it was \$145,000, I'm sorry.

Hon. Mr. Handleman: Radio advertising is \$150,000, by itself.

Mr. Deacon: And then you have legal as how much?

Mr. Vetere: Legal is not part of that.

Hon. Mr. Handleman: Legal is not part of services.

Mr. Vetere: It's not part of that \$441,000.

Mr. Deacon: I'm trying to get the breakdown of this \$489,000. You've got \$275,000 as advertising.

Mr. Vetere: May I explain?

Hon. Mr. Handleman: Certainly.

Mr. Vetere: The \$275,000 is the breakdown of the communication programme and \$75,000 is provided for ethnic advertising.

Mr. Deacon: In addition to \$275,000?

Mr. Vetere: That's right. And \$85,000 is made up of various things: \$52,000 is for engaging public accountants on an internal audit system that we're putting through the ministry; \$15,000 is to contract for an EDP audit consultant in internal auditing, and \$18,000 is the final part of the internal audit system, making a total of \$85,000 altogether, plus \$6,500 for increased cost of services. That adds up to \$441,500, which is roughly the difference.

Mr. Deacon: That's \$441,000 out of the \$489,000.

Mr. Vetere: Right.

Mr. Deacon: The others are miscellaneous items?

Mr. Vetere: Yes.

Mr. Deacon: Various small amounts?

Mr. Vetere: Yes.

Mr. Chairman: Does item 2 carry? Do you still have a question there, Mr. Renwick?

Mr. Renwick: Just a half a second here. I get confused with the information we get from the ministry. I have in front of me the fiscal review for 1972-1973, which I understand is the latest information available for us. Is that correct? Is there a 1973-1974 one available?

Mr. J. K. Young: No, it was decided in the interests of economy that we would not produce an annual report in our ministry. Therefore, because of that, we produced a handout, which we have given to the members of this committee each year since.

Mr. Renwick: So this has now disappeared.

Mr. J. K. Young: That's right.

Mr. Renwick: This was the substitute for an annual report, actually. It is just called a statistical review.

Mr. J. K. Young: That's right.

Mr. Renwick: So that now this document that we received today is the information that was formally shown in here. Is that correct?

Mr. J. K. Young: That is probably not all the information. I don't think it has—

Mr. Renwick: I wouldn't be surprised.

Mr. J. K. Young: —the information you wanted as to the number of transactions and—

Mr. Renwick: This looks to me like a photo-stat on yellow paper of this book that I have with the light pages on. What confuses me is I have a chart here, April, 1973, the Ministry of Consumer and Commercial Relations.

Mr. J. K. Young: Yes, right. And you have a similar one to that in the front of that blue book.

Mr. Renwick: Now, that's the same as what you have given to me here. Right?

Mr. J. K. Young: Very similar, yes.

Mr. Renwick: No, that is the same as the front page of this.

Mr. J. K. Young: Okay.

Mr. Renwick: It is the 1972-1973 statistical review—what I got this afternoon—and then I have this prettier chart here marked April, 1973. It bears no comparison to this one, which is 1972-1973; and this one, which is 1975.

Mr. J. K. Young: Well, the one you have for 1975 is the one that is current and up to date. If you are looking at a 1972-1973 chart—

Mr. Renwick: I can discard this one?

Mr. J. K. Young: Yes, sir, if you so desire.

Mr. Renwick: Did it ever exist this way?

Mr. J. K. Young: Oh, yes.

Mr. Renwick: This is the predecessor of this—the 1972-1973 is the predecessor of what I have for 1975?

Mr. J. K. Young: That's right, and if you will notice, on the 1975 one, for instance under business practices division at the very bottom, there is a registrar of travel agencies. Now he didn't exist in that previous chart, so that you should use the latest chart.

Mr. Renwick: I should use the latest chart?

Hon. Mr. Handleman: The pink one.

Mr. Renwick: Let me try to do that then. Theatres, registrar general, pension commission, liquor licence board, commercial registration, business practices, companies division, insurance division, Ontario securities, programme support, technical standards, property rights; it's identical except for additions to the various—

Mr. J. K. Young: In the detail, yes.

Mr. Renwick: Under the main vote on this chart, are the only items we are talking about the ministry office, minister, deputy minister, management secretariats and programme support?

Mr. J. K. Young: Yes, that is correct.

Mr. Renwick: Right, so that when we pass this vote, we will have dealt with those three items of this chart.

Mr. J. K. Young: Yes, sir.

Mr. Renwick: Including your salary?

Mr. J. K. Young: Yes, sir; if any.

Mr. Renwick: Right, so confidential I won't ask.

Mr. Chairman: Is item 2 carried? Carried.

Item 3. Any comment there?

Mr. Deacon: What is the difference or delineation in the management secretariat and administrative services? Does that cover all the administrative services, financial services, personnel services—are they all there?

Mr. J. K. Young: For everybody, yes.

Mr. Deacon: All lumped together?

Mr. J. K. Young: The secretariat is in the office of the minister and supports the minister. We have what is known as a ministry organization, whereby we differentiate between programme delivery, which is for all those divisions; and policy, which is for the minister. Therefore the minister has a policy assistance staff and they generate policy, generally speaking. All these divisions, including the programme support division, which for convenience was put into the ministry office, are all programme delivery type agencies.

Mr. Deacon: I can't understand. I thought the programme delivery was in the securities commission, the pension commission—

Mr. J. K. Young: That's right.

Mr. Deacon: Well, what do these people do in programme support?

Mr. J. K. Young: In programme support they supply these agencies with financial service, administrative services and personnel service.

You wouldn't have, in each of these agencies, because some are quite small, the capability to handle their own personnel work such as obtaining and paying their people, seeking

housing and shelter, heat and light, and all the things that administrative people do. They are all put together in what is known as a programme support division.

Mr. Deacon: So is the payroll.

Mr. J. K. Young: That's right. The exceptions to this are the two liquor boards. They have their own support services.

Mr. Deacon: Your administrative people do what? I can understand the financial and the payroll. What is personnel? If we get it in ordinary English would you say administrative services was purchasing?

Hon. Mr. Handleman: It is provision of administrative, consultive, control and procurement services to the ministry's programmes in 65 land registry offices, 12 regional field offices, 11 Metropolitan Toronto locations; furniture, equipment, stationery, supplies, printing, duplicating, records and forms management, mail services.

Mr. Deacon: It is the purchasing agent.

Hon. Mr. Handleman: It is more than that. It is administrative services, which includes more than just purchasing. It is control as well.

Mr. Deacon: And your financial is payroll, in effect?

Hon. Mr. Handleman: Which item are you talking about?

Mr. Deacon: The next item is financial.

Mr. Chairman: Is item 3 carried?

Mr. Deacon: Maybe we can take them all together.

Mr. Chairman: Do you want to take the three together Mr. Deacon?

Mr. Deacon: We could.

Mr. Chairman: Committee agreed?

Hon. Mr. Handleman: We could take them on the next one, which is financial services.

Mr. Deacon: These are all at 400 University Ave.? They are all set in one separate location.

Hon. Mr. Handleman: They have just moved some of them to 400 University Ave. It was administratively more efficient. Financial services are payroll, expenses, things of that nature. Most of the accounting is done in this vote, in fact, almost all.

Mr. Deacon: In financial services?

Hon. Mr. Handleman: Financial services, yes.

Mr. J. K. Young: These people handle some \$40 million. It is a fairly respectable job. It includes the salaries of everybody, the budget, and the control of same.

Mr. Deacon: How many staff does personnel look after?

Mr. J. K. Young: Total personnel in the ministry?

Mr. Deacon: In the ministry.

Hon. Mr. Handleman: In the ministry itself?

Mr. Deacon: That they are responsible for.

Hon. Mr. Handleman: Between 1,800 and 1,900, almost 1,900. We are in the process of going through a reduction by attrition. We are just below 1,900.

Mr. Edighoffer: How many were there a year ago?

Hon. Mr. Handleman: 1,936. We have reduced some. We have some vacancies.

Mr. Edighoffer: Have you done anything toward student employment?

Hon. Mr. Handleman: Yes, we have a summer student employment programme.

Mr. Edighoffer: How many?

Hon. Mr. Handleman: We have 140. You can answer directly, Mr. Vetere; 140 summer students.

Mr. J. K. Young: University and high school.

Mr. Chairman: Any further questions? Do these three items carry? Does vote 1301 carry?

Mr. Renwick: Mr. Chairman, before we pass that vote I would like to address a question to the member for Scarborough Centre: Is there a special allocation of responsibility? Do you operate in such a way, Mr. Minister, that your parliamentary assistant has special fields of responsibility, or is it more or less a roving commission?

Hon. Mr. Handleman: As you well know, my parliamentary assistant can speak for himself. I look at him as an associate minister. He advises me on questions of policy, handles assignments from time to time and does quite a few things on his own initiative.

Mr. Renwick: Perhaps I can just simply address him.

For example, you had a substantial role in the carriage of the travel agency bill and so on. Have you any projects like that which could be said, not in a hard and black and white way, because ultimately the minister is responsible—

Hon. Mr. Handleman: Mr. Drea is working on the home warranty plan specifically.

Mr. Renwick: The home warranty plan?

Hon. Mr. Handleman: Yes, the housing or the home warranty plan specifically, and has been maintaining liaison in the process of that legislation being drafted. I'm also working with him on a variety of other matters which—

Mr. Drea: If you're curious in terms of numbers, Mr. Renwick, in addition to that I have about 23 other legislative projects under way.

Mr. Renwick: I was thinking more of whether there is a division of responsibility, or is it a fairly ad hoc arrangement, where it makes sense to peel a particular project off and ask you to do it, or what?

Hon. Mr. Handleman: I think you would describe it as an ad hoc relationship. I have found of course, during the preparation of liquor bills, which again are not within the estimates the parliamentary assistant works very closely with the members of both boards and with the advisory groups when we were in the course of preparation of that legislation. When matters of that nature arise from time to time, he will take a position of leadership in the formation of legislation and policy. I rely on him greatly for policy suggestions.

Mr. Renwick: Where would you anticipate, next year or as of now, when the bills get Royal assent, the Liquor Licence Board would come in your estimates?

Hon. Mr. Handleman: I suppose it would be a separate vote, in the same manner as we have the Securities Commission.

Mr. Renwick: I understand that, but would it be likely to come under that commercial standards programme; or where do you think you would slot it in?

Hon. Mr. Handleman: To be frank with you I hadn't given it much thought. It's far away, we haven't yet proclaimed the Acts. But I would assume it would be a separate vote somewhere in a very prominent position on our organization chart.

Mr. Renwick: Is it your intention to proclaim those Acts reasonably promptly?

Hon. Mr. Handleman: Yes, as soon as we complete the committee stage of Bill 45 and the regulations.

Mr. Renwick: When you say very promptly, you are speaking about within the next six months?

Hon. Mr. Handleman: Oh I would say sooner than that.

Mr. Edighoffer: I don't want to prolong this section, but when Mr. Drea suggested that he had under consideration a certain number of items, I wonder where in this vote the extra staff that he has is accounted for. Does he have extra staff?

Mr. Drea: I have none.

Hon. Mr. Handleman: No, he has the normal staff of a parliamentary assistant. All the staff in the main office work very closely with Mr. Drea when he requires their services.

Mr. Drea: No, but the question was asked, do I have extra staff. The answer is no, Mr. Edighoffer. I am a model of administrative restraint.

Mr. Edighoffer: I am glad to hear that.

Vote 1301 agreed to.

On vote 1302:

Mr. Chairman: Commercial standards programme; item 1, securities.

Mr. Deacon: Mr. Chairman, this particular item has been one rather close to my heart over the years, and getting back into the business, I wanted to say that there has been a tremendous change, for the better in recent months since the appointment of the new chairman. I don't say that because I'm hoping to curry his favour. I had many years of battles with him before I was elected to this Legislature, but he is a person who has courage and judgement, and I think it's making a big difference to the atmosphere in an industry that requires a person of great integrity and judgement.

But I'm still concerned about the structure we have here for our Securities Commission. In my view, the minister should separate the roles of chairman and vice-chairman of the commission from the administrative role of the operation of the securities division so that the commission is a source of advice and policy and information for the minister, but not responsible for administration directly.

They are the appeal tribunal, just as the commercial appeals tribunal is, and to my mind they should not be in a position where they have the conflict of having to sit in judgement

on people for whose administration they are responsible. I would urge the minister to consider changing that structure so the director is, in effect, the director of the securities division, but the commission itself stays outside the direct jurisdiction of the ministry.

Mr. Chairman: Excuse me, Mr. Deacon. Mr. Young, I think it might help Hansard and everybody concerned if you would introduce the gentlemen who just came up to the head table, so that when they speak we know just who they are.

Hon. Mr. Handleman: Well, I will introduce a man who needs no introduction, the chairman of the Securities Commission, Mr. Pattillo. I will let him introduce the remainder of his advisers, who are all well known to Mr. Deacon.

Mr. A. S. Pattillo (Chairman, Ontario Securities Commission): I think everybody knows Mr. Bray, who is the vice-chairman, and Mr. Salter, who is our new director. At the back, we have Mr. Eady, who is in charge of administration, in case we need any further information.

Mr. Chairman: Go ahead, Mr. Deacon.

Hon. Mr. Handleman: I was wondering if you wanted me to respond to the question of structure.

Mr. Deacon: Yes, if you would, please.

Hon. Mr. Handleman: It's an interesting concept, because you are quite right that in other areas of enforcement we have separated the policy-making function from the adjudication function.

Mr. Deacon: And indeed British Columbia has done it for securities recently.

Hon. Mr. Handleman: The only thing I would say—and, of course Mr. Pattillo is much better able to defend the present structure than I am, if he wishes to do so—

Mr. Deacon: I hope he doesn't have to defend it.

Hon. Mr. Handleman: Or at least to explain it. But I would say that I have a great fear of tampering with something that has been so successful that our whole securities organization is pretty well a model for other jurisdictions to follow. It has worked so well that it is one area of the ministry that when comments were made about my predecessor having a busy day, I can assure you it didn't involve the Securities Commission. It really is a self-supporting, self-generating, self-starting organization that handles its own functions quite

capably, without too many problems—of course, we know some of their own problems and we have been reading about their hearings recently

I am not inclined at the moment to meddle with that structure, but it certainly is an interesting suggestion. Maybe Mr. Pattillo would like to comment on it before we break?

Mr. Pattillo: Well, gentlemen, since I have come to the commission, we've been making numerous changes in our organization of administration. Mr. Salter has come as a director. We have been successful now in getting a new deputy director of enforcement, who will join us Sept. 1.

Mr. Renwick: Who will that be? It is shown as vacant in our books.

Mr. Pattillo: That will be Mr. James DaCosta. At the present time we have four on our legal investigation staff; we've cut down considerably there, as you can see. We have also cut down on our accountants side.

Mr. Deacon: On your accountants?

Mr. Pattillo: Yes, the accountants side. We have brought in two young accountants on a seconded basis from some of the large firms, one from Clarkson Gordon and another from Peat Marwick. We have interviewed a third from Coopers Lybrand. We expect to get them for periods of two years. We think these young accountants, who have five and six years' experience and who are potential partners of their various firms, will give us much more productivity in that field.

We are hoping to get two young lawyers who are interested in counsel work to come for a period of two years too, because we are not satisfied with the presentations at hearings by our present staff. It is not the staff's fault; it is just they haven't had the experience or the training. We have very able young fellows, but they just haven't had the experience or the training.

I would think at the present time it would be a mistake to accept your idea, Mr. Deacon, the reason being that we are struggling in trying to reorganize the whole place. We are also trying to look into the whole problem of junior mining business.

The way we have been operating, along with Mr. Salter I have been dealing with the administration; Mr. Bray only deals with the administration if I am out of the city or not available for some reason. We are following the practice that if I have dealt with a matter of administration and then it comes to the commission, I do not sit. If Mr. Bray has dealt

with the matter of administration and it comes to the commission, he doesn't sit. What we are trying to do is separate the two functions. Nevertheless, if you put the load on Mr. Salter, or on the person who is director, dealing not only with the day-to-day administration but also trying to settle the policy of the administration down below, it wouldn't work at the present time.

Mr. Deacon: Do you see a time when it will be able to work? I think you will agree there is a difficulty, even though you take care not to assign somebody who has been responsible for an administrative decision to a hearing of the commission. There is still a problem in so far as people are naturally—well, when you don't have a complete separation there can be a real problem in maintaining a clear, unbiased position.

Mr. Pattillo: I think the very nature of this emerges if you look at the way the SEC operates—and we have been down there; I've been down there twice now and studied the way they are operating—and the way we are trying to operate; and I have been to Quebec to see how the Quebec commission is operating. A securities commission really has two functions. One is quasi judicial; the other is purely administrative. It's very difficult not to have the chairman mixed up in both functions if it's going to work. That's what I found when I was talking to the head of the SEC.

We have several commissioners, as you know, part-time commissioners, who are spending a good deal of time on this.

Mr. Deacon: And who have had good experience.

Mr. Pattillo: They have nothing to do with the administrative side unless I ask them to look into some particular part of it. We have a group separate from the administration. No, I think the way we are getting along—and I'll leave it to Mr. Salter and Mr. Bray to see whether or not they agree—is really in the interest of the investor and the public.

Mr. Deacon: I think it is working a lot better right now than it was. I would also point out that in the past, as the minister just mentioned, it seemed to have been going along fairly well, but a lot of people who were in a position to make comments didn't feel they could because they would have been adversely affected—or they felt they could have been had they got involved.

In the Legislature it is very difficult to get people involved in this because there are very few people who feel they can. It's a very spe-

cialized and yet a very important field. I realize that what works in the way of the commercial appeals tribunal and its separation from the actual administration may not necessarily apply here, but I would really like to see us try to get to that point some time when the people who sit on the commission, are, in fact, removed from this part of the operation.

Hon. Mr. Handleman: I think the chairman's remarks, Mr. Deacon, indicate that internally

they are attempting to achieve that without making the structural change you suggest.

Mr. Deacon: Yes, I think there is a lot less of the feeling of fear than there was.

Mr. Chairman: Shall item 1 carry?

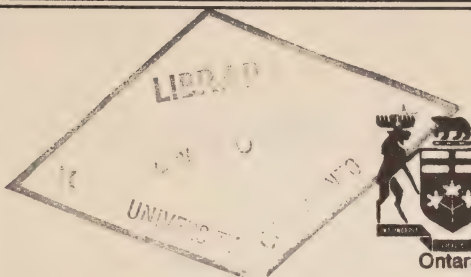
Mr. Renwick: No.

It being 6 o'clock, p.m., the committee took recess.

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Ontario. Legislative Assembly

Legislature of Ontario Debates

ESTIMATES, MINISTRY OF CONSUMER AND COMMERCIAL RELATIONS

Standing Administration of Justice Committee

Chairman: Mr. D. W. Ewen

OFFICIAL REPORT — DAILY EDITION

Fifth Session of the Twenty-Ninth Legislature

Thursday, June 5, 1975

Evening Session

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

THE QUEEN'S PRINTER
PARLIAMENT BUILDINGS, TORONTO
1975

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Daily index of proceedings appears at the back of this issue. Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff (Phone: 965-2159).

LEGISLATIVE ASSEMBLY OF ONTARIO

THURSDAY, JUNE 5, 1975

The committee met at 8:07 o'clock, p.m.

ESTIMATES, MINISTRY OF CONSUMER AND COMMERCIAL RELATIONS (continued)

On vote 1302:

Mr. Chairman: On item 1, go ahead, Mr. Renwick.

Mr. J. A. Renwick (Riverdale): Mr. Chairman, I really have three or four items which are not of a technical nature, but there are some specific areas that I'd like to mention. I have in front of me the statistical highlights for 1974 that were published in the bulletin.

My first comment is, may I make what at least to myself would be a practical suggestion, but I'm quite certain it may not be so for others—that when you publish the monthly bulletin, if the cost is not prohibitive or is inconsequential, that you consider publishing it in two parts; one dealing with the decisions and rulings of the commission—in other words, the part which is usually at the front of it—and that all of what is basically statistical information in a separate part.

As I say, I may be being simply very selfish about it, but what I usually do is tear off the back part and throw it away, whereas I'm quite certain that there are many people in the industry who would like to have the continuing review of the actual activities and decisions rather than necessarily the particulars which are set out in the back, important as those are.

I'm saying, probably from my point of view, and maybe also from others in the industry, that if the cost is inconsequential, it would be helpful. Or even if every three or four months you, in fact, publish the front part of it, and the back part of it in some other context.

Mr. A. S. Pattillo (Chairman, Ontario Securities Commission): We certainly will look into the matter. But you appreciate that these bulletins go to the securities commissions and industries, and they are bound. What I think we might take a good look at is using different-coloured paper for the part that you are not interested in, and others like you may not be

interested in, and then when you are opening it up you could tell very quickly what you want to see.

Mr. Renwick: Perhaps there might be some printing device by which it would be easy to extract the front part and throw the other part away. I'm quite certain there are many people who are interested in the whole thing, but I think all of the people would be interested in the front and the back in different degrees.

Mr. H. S. Bray (Vice-Chairman, Ontario Securities Commission): You want it bound in two parts, sort of thing?

Mr. Renwick: Yes, that's all I was thinking.

Mr. Pattillo: I am not in the printing business but I don't think that would be horrendous.

Mr. Renwick: I would like a general statement about the national policy situation; where you are on it; what is happening since you published the policy decisions about uniform security Acts in the overall sense; how it is being implemented; whether you think it's effective; whether you think you are making progress in it; whether the progress is keeping pace with the demands of the industry and of the public. Something in that nature is what I would like to hear you speak about, sir.

Mr. Pattillo: Could I divide this? I will reply to certain things, and Mr. Bray to others, and Mr. Salter.

Mr. Renwick: Yes.

Mr. Pattillo: Since I have been in the commission, we have had three meetings of all the provincial administrators in Canada. In addition, we all met down in Washington in the spring with the people in the United States. Mr. Salter has gone to Montreal to talk with the Quebec people and his counterparts. Mr. Bray and I have gone to Montreal. They have come here. I would say we have an excellent rapport. I would like to speak about that, if I might, in a few minutes.

This bill before you has been thoroughly discussed with all the administrators across Canada and many of the views that are con-

tained in the bill are their views. We have also discussed with them, in a preliminary way, the first draft of the regulations. I stopped going any further in the regulations because I said we could become confused between the regulations and the bill. The bill was the essential thing—the prerequisite.

I expect some amendments—I will explain that to you in a minute—but if we get the bill through this session, we then hope to get the regulations settled and we hope that the bill can become law, if the government agrees, by the first of the year. Then everything would come into action—the new regulations, the new Act. We have grounds to believe that then the provinces will be moving in their sessions—their sessions are much shorter than Ontario's or Quebec's—in the spring and winter to introduce the bill.

I can't assure you that it is going to be completely uniform because there are little differences in each place. Even if the administrators agreed that they put the bill through as it went through here, the legislators and the government would say, "No, we want this little change or that." But basically speaking, we are closer today to having uniform regulations in the securities field right across Canada than we have ever been before.

The federal government is messing around in this thing and it has introduced a new Corporations Act. You are a far better authority than I on corporations law and will realize that that new Corporations Act in cabinet isn't corporations law at all, it's securities law. They've got some regulations which they sent us the other day. They've had some of their minions pounding down there to see some of the persons in the civil service. They would like to get into the securities business.

I think sooner or later the government of the province is going to have to decide where the right to conduct the securities business lies. That is a government decision. That is not mine, or any person's in the securities administration. I think we've got a good Act.

I said I wanted to speak to you about some comments you made today, because I didn't draft this Act.

Mr. Renwick: Could I come back to that in a minute? I wanted to deal with this national policy, if I may. I happen to be one person who believes that to have relatively uniform laws in the province is, of course, naturally a useful and helpful matter because of the dominance of certain provinces in the securities industry field. Others are not so dominant, and don't have such roles to play, but are

equally interested in the investor protection operation.

I rather like the language which you used, the implication being that I don't want to see a federal securities law in Canada, at least in the foreseeable future. The reason I say that is that I am inclined to think one of the difficulties—and this is quite different in the United States because Canada is quite different from the United States—was that publicly on the other side of the fence we were talking about 50 other jurisdictions, and not 12 or 10 or 11. That is quite a different situation. I happen to be a believer in the SEC for what it has done in the United States and the leadership which it has given which has been emulated here. In a peculiar way, if industry, and government in its regulatory role, are to be responsive to each other, I think we are still in the period of time in Canada when Ontario, by virtue of being a financial centre and an increasingly important one, is much closer to it and much better able to respond to the immediate needs as they arrive.

I'm not suggesting for a moment that they respond as quickly, or as well, as I happen to think they should. That's true of all bodies. It is very easy for us in opposition to question the responsiveness. I think it is extremely important that we understand, in the opposition and in the back-benches of the Tory party, that when you are talking about national policies you are not really talking about government of Canada policies, you are talking about the co-operative effort of the securities commissioners across the country to develop uniform practices with the leaders responding well to what is happening. Of course, there are special circumstances, such as in oil and gas financing, where it is obviously Alberta. In other areas of financing, British Columbia, and to a lesser extent, some of the other provinces are involved.

I am very concerned that somehow or other you adopt an equally important phrase other than national policy. I don't think for one single moment the government of the province of Ontario and our party differ on the proposition that we do not want something called a national Securities Act. That's my view. It is debatable and others can argue the other way, but I think we tend to think this is not an area. I think it's fair to say that we are much more interested in Ontario responding quickly and promptly to legislative demands. I think what has bothered myself and my colleague from Lakeshore (Mr. Lawlor) is that the legislative response has been very slow. I'm not talking about the new Act. I'm not talking about it in those terms. I'm talking about when

needs arise, you respond through the regulatory power and you're very slow to bring it into the statutory world.

The mutual fund thing or the finance company are good examples. You've done it through regulation long before you ever get it through into the legislation. I think you respond fairly promptly in the regulatory way but the funny thing is that in the regulatory way in a strange way—if I can speak in a legislative sense—you strain the regulations to encompass other areas which should be different parts of the Securities Act fairly promptly.

Mr. Pattillo: I don't disagree with that at all, but I want to say some things. First of all, I want to pay Mr. Bray a very high compliment because, if we are building up through the provinces an understanding and a willingness to work together, I've seen what a contribution he's made in that. I don't think any person in all of Canada has made a greater contribution.

Mr. Renwick: I would join you in that.

Mr. Pattillo: Then I would like to say I accept that criticism about the regulations. I'm sure all three of us do. We are trying. You may have noticed the procedure we are following now. If we decide that something is wrong and that we have to correct it we try to work this thing out by talking to some of the leaders. We then publish a statement, or we have a hearing and then we publish a statement. We say: "This is our idea, but you have a month to deal with it and then we'll review all of the things that you put in and we will come back to you again." This takes time but I think we're getting a good response.

May I just indicate what happened when we had these hearings recently that began in April in the junior mining group? A good many people said in the beginning, and some fellow even put it in the paper that I was either the biggest hypocrite that ever came into the world or I really intended to do something. When the hearings started we had a few people there. When it ended we had a crowded room every day. We had some of the best people in the field who came and sat through it every day and tried to contribute.

At the present time we have a document which we are now discussing with each group—the mining legal group, the prospectors, the promoters and the underwriters. We're discussing this with each group separately to try to get a consensus as to how we can improve the situation which we all agree needs to be improved. We can't come in with legislation

in that until we've worked the thing out. This is the difficulty, as I see it, about trying to operate. If we come in with legislation and you approve it, suddenly we'll wake up to the fact that people who have been involved in this all their lives have known right along this wouldn't work, but they haven't told us so. I feel that we have to have this dialogue.

Mr. Renwick: I'm not really concerned about that. I know about that. That perhaps opens up another aspect which I can come back to in a few minutes. I would like some kind of confirmation from you, or Mr. Bray, or from the minister, or from the deputy minister, that the basic proposition I am talking about, such as the national policy, is a policy of mutual co-operation between the jurisdictions and if the minister is prepared to say so. In the view of the government of the Province of Ontario at this time, it is not in the interests of the people of the Province of Ontario to have something called a national securities law enacted at the federal level, even if that were theoretically possible.

Mr. Pattillo: Well, that's a matter for the minister.

Hon. S. B. Handleman (Minister of Consumer and Commercial Relations): If I may, Mr. Renwick, I think it's more than a matter of semantics. You are quite right that what we have been classifying as a national policy is, in fact, a consensus of the provincial securities authorities. We certainly are not prepared to accept a federal policy.

Mr. Renwick: All right.

Hon. Mr. Handleman: The question of the regulatory versus the statutory action is one, of course, governments wrestle with all the time. We are quite aware of the McRuer injunction against statute by regulation, and we try not to. We must always try to balance the need for flexibility, versus the need for full hearing. I think you will recognize not only that the legislative process is slow, but in fact, it should be so. There must be careful examination of things which are enshrined in statute, as distinct from those things that can be changed by regulation. I don't think the commission should really take all of the criticism for that problem. I think it is the government and we recognize that.

Mr. Renwick: Perhaps my tone of voice is wrong. I'm not making criticism. I'm really not. I'm trying to elicit what is what. I know there has to be discussion before you move into a field. I know that if there is abuse, you

see an immediate response. The way the ministry can immediately respond is by the commission responding and then by doing it by regulation.

This is a very complex field. I think you must avoid the time lag between the time you translate them into the legislative format, because basically people still pay more attention to it. I'm using it as an example. There are many other examples from the time when these scholarship, or educational plans, first came on which Mr. Bray would say was about 15 years ago.

Mr. Bray: I think probably closer to 10 when they came under regulation.

Mr. Renwick: Yes, but when did they first start to talk about them?

Mr. Bray: Over 10.

Mr. Renwick: Over 10. Then you moved by way of regulation. Now you've got two things—a national policy and some control through the new Act.

Mr. C. R. B. Salter (Director, Ontario Securities Commission): I haven't seen the new Act but is there control in the new Act?

Mr. Bray: Not specifically.

Mr. Renwick: Not specifically.

Mr. Bray: There is a special policy prospectus.

Mr. Renwick: May I suggest, for whatever the consideration is worth, that national policy is a misnomer? I don't want to go to some long-handled thing called interprovincial co-operative decision policy or something like that.

Mr. Pattillo: I agree. Can we get some initials?

Mr. Renwick: Yes.

Interjection by an hon. member.

Mr. Renwick: No, God forbid. The federal government, and particularly the present federal Liberal government, is immensely aggressive in these fields. I don't think it is in the interests of investors in the Province of Ontario, or in the interests of the investors in the other provinces, to be subjected to this constant pressure for something called a federal statute. This touches upon an increasing number of people who are investing in, and interested in, the closeness of the government to what's about, and who want a government

which is in contact with the people to protect them against abuses as they appear, and which are heard first on Bay St. and first in the commission offices.

Mr. Pattillo: I can state very clearly my own personal view, and this view was formed after being at the bar many years: I've always thought it was a tragedy in that the BNA Act assigned the role of bankruptcy to the federal government. I don't think that Ottawa has ever been attuned to the bankruptcy situation and it would have been much better run in my judgement if it had been in the hands of the provinces. Equally so, I think it would be just as great a tragedy if the federal government took over the securities field. You can't sit down in Ottawa and know what is happening in the securities field in the cities of Montreal and Toronto and Vancouver or be able to make the decisions that have to be made. That's my personal view.

But may I just point out something to you? When you were speaking earlier in the afternoon, you were talking about the procedure that has been followed about this bill that is now before the House. If I might, I would like to correct your impressions about that.

I was not the draftsman of the bill. There was a preliminary bill that was in the House a couple of years ago. It was put in there just for exposure. Bill 75 was introduced last spring before I went to the commission. It's my understanding that it was introduced at that time at the request of all the administrators across Canada, but they wanted to get it in and give it exposure. At that time, the government said, "You have until the middle of September to make any submissions that you may want."

I arrived at the commission for a study period July 1 and became the chairman Sept. 1. At that time, as you said, we had a stack of briefs that high, and I came to the conclusion that if you let these people go on, they would send in another brief against the other brief. I said, "We're going to call a halt to this thing." The draftsmen at that time, Mr. Bray, Prof. Beck, Prof. Johnston—and I had a few views of my own which appear in the redraft—went to work with all these briefs. No representations were allowed, the briefs were there. We studied them. The redraft came through as a result of that, and I said at that time, "If you have any further representations you want to make, you can make them before the standing committee".

I can assure you the exchange, the IDA, the broker dealers, all sorts of groups including the bankers and the trust companies are just

waiting. You're going to get all these different views and I think this is a healthy thing. But I want you to know I cut it off and said, "We're not going to keep on listening to all these things. You put in your submissions, they will be analysed and the best judgement of the draftsmen will be taken into consideration." And that's the bill that is before the House today.

Mr. Renwick: How widely is that being distributed now?

Mr. Pattillo: That was sent out to every person who put in a brief. It was sent all over Canada to all the administrators.

Mr. Renwick: Can I ask a rhetorical question? Is the commission going to provide the Ontario branch of the Consumers' Association of Canada with the funds to retain counsel and financial analysts, for the purpose of doing what the Securities Act is designed to do? It is to protect the public investors. That's what it's about. That's what the origin is and that, I think perhaps graphically in a rhetorical way, illustrates the concern that our caucus and my colleague and I have about the bill. There's just an immense, legitimate, vested concern about what the industry is about. The ordinary guy has to depend entirely on it. I guess I'll ask this question a number of times about the extent to which the ministry is prepared to fund in order to point up the argument. If you're going to talk about the investor, why leave it to those who are going to profit from it as being the only ones who have an input to it?

Mr. Pattillo: I can assure you, of course, what is done about that rhetorical question of yours is a matter of government policy.

Mr. Renwick: Oh, yes, I understand that.

Mr. Pattillo: Both in the representations that were made to the drafting committee following the introduction of the former Bill 75 and in the hearing that we had recently about the junior mining group, individuals came and made representations. Some of them were excellent. I don't think there's a day goes by that I don't get three or four letters from individuals dealing with things they consider important to them and to the investing community. I try to the best of my ability to answer them. But whether counsel is going to be retained or whether counsel is going to be able to equip himself in the time is something that I can't say. I am dubious. What I am concerned about, and let me put this as clearly as I can, is that if you don't want the federal

government moving into this field, the quicker we get this new Act through the better.

Mr. Renwick: I don't think there's any question about that.

Let me deal a little bit with the junior mining industry. I'm not knowledgeable at this particular time as to how the commission operates in a public hearing. Did the commission itself have counsel or was it simply sitting in its role with its own particular sense of expertise, receiving the information about it, or did the commission employ counsel as is often the case in the ad hoc commissions which are appointed for specific purposes?

Mr. Pattillo: No. I would say that when I arrived there, Bill 75 had already been in the House.

Mr. Renwick: No, I'm talking about the junior mining hearings.

Mr. Pattillo: Oh, in the junior mining hearings.

Mr. Renwick: I guess I can put it another way. Haven't you got a role to have counsel for yourselves to elicit all of the things which are involved in that kind of thing?

Mr. Pattillo: We did that, and Mr. Salter did it with his experience and everything. I'm happy to say that we started out on the basis that this would not be a confrontation. This would be an attempt to elicit information. Any person who wanted to get up and speak was encouraged to do so, and they did. I couldn't have had a finer counsel conduct that hearing than Mr. Salter.

Mr. Renwick: I would also agree with that. How he did his job as director of the commission while conducting the kind of thing I'm talking about is only something which Mr. Salter could do.

Let me draw an analogy. Mr. Hume, who is counsel to the Ham commission on occupational health and safety, from all reports that I can hear from people who sat at the hearings and had been there, is doing a superb job of providing an independent commission with the kind of counsel role, which is not adversary, but is extractive, incisive and intelligent about the questions which are being asked in a field which I'm quite certain Mr. Hume didn't believe for a moment that he'd ever be involved in—and that is, the extent of carcinogens and others in the industrial health of people in the Province of Ontario. He is doing a superb job assisting the commission in maintaining its independence.

I would think—and I throw it out for what it's worth—next time you go on to an area such as the junior mining operation, it would be important not to saddle or expect the director of the commission to do that role, but to have counsel from outside. I'm going on at great length, but I'm trying to express to you some of the views which I have about it.

I am delighted to hear, if I could come at it another way, that you are engaged in circulating through the ministry persons with five to 10 years' experience on contracts for two to three or four years, in order to provide the kind of information and expertise which the commission requires. Mr. Deacon is a little bit diffident in what he says. The fact of the matter is that there was an estrangement between the commission and the street, and it wasn't an estrangement about the Neanderthals who think that the securities industry shouldn't be there at all.

I'm talking about a professional estrangement about the fact that the so-called professionals within the commission were so far away from what was happening in the street that there was no interchange. I'm not suggesting it's simple. The last thing I want is to become a club between the street and the commission. I think you've constantly got to be aware of that very great independence.

Mr. Pattillo: I agree.

Mr. Renwick: But I don't think that's inimical at all to routing experienced people through the commission on contractual bases for certain terms. I think everybody benefits from it, and I'm not so shortsighted as to think that there's kind of a—the term that we learned to use in this last one—so-called Chinese wall that you can erect between the two areas.

I'm trying to say a threefold thing—I'm trying to say almost a triangular thing—the commission has got to be immensely independent. Anything that you can do to make it independent is essential. At the same time, you cannot have amateurs kicking around in the commission. An amateur can become a person, like myself, who is long-time removed from an area where he perhaps formerly considered himself to be a semi-pro or on a semi-pro basis.

Mr. Pattillo: You had every right to consider yourself—

Mr. Renwick: No, but I meant that's the way in which things happen, and you've got to have people who are au fait with the securities game and actually working on it, and it's the younger people that can do it. I think I've gone on long enough about that.

Mr. Pattillo: I just want to assure you that some of the views you're expressing have been my view. I also want to assure you that when I agreed to come to the commission I was assured by the Premier (Mr. Davis) and the minister that there would be no political interference, and there has been no political interference at all at any time since I've been there.

Mr. Renwick: I'm sure that's a long time ago, because, for practical purposes, everybody's a Tory in the province.

Hon. Mr. Handleman: I think with regard to the retention of counsel, of course, that's a decision for the commission to make. But I'm sure you're aware that there are many quasi-judicial bodies which operate without counsel and manage to maintain a very high degree of independence. I think when I was discussing the commission very briefly, when I was introducing Mr. Pattillo, I pointed out that I really have very little to do with them. I do present the legislation, and of course it has to be approved as government policy. But their administrative and quasi-judicial operations are completely independent.

Mr. Renwick: I understand.

Hon. Mr. Handleman: I like it that way.

Mr. Renwick: I agree with that. I agree with that part of it. I wasn't thinking about their role and their quasi-judicial operation. I was thinking more in what could be called their administrative role where they're the filter through which changes occur in the Act because of the influence of the industry.

Hon. Mr. Handleman: Yes. I have familiarity with another body in Ottawa which has two roles: one, to determine in an adversary situation who is right, and the other one to do an investigation and make recommendations on certain aspects of policy. It operates without counsel and does so very well. It's the Tariff Board of Canada and it does an excellent job without counsel.

Mr. Renwick: That's been perhaps an esoteric discussion. We could go on almost indefinitely on the philosophy of that with Mr. Bray and Mr. Salter. Maybe some night we'll share a drink and discuss that aspect of it.

I would like to come to a more practical consideration. Is the commission considering revoking the licence of the Toronto Stock Exchange to conduct the exchange? The exchange operates under licence from the commission. Are you thinking of revoking it or not?

Mr. Pattillo: No, not at the moment.

Hon. Mr. Handleman: Hadn't entered our minds.

Mr. Pattillo: Not right now.

Mr. Renwick: Well, that leads me into my—

Mr. Pattillo: But I can tell you this—you may be interested in this—we are giving very careful consideration, we are monitoring and we are sending to all the financial institutions—the insurance companies, the trust companies and others—a circular requiring certain information so that we can determine, to the best of our ability, in a few months time whether it's in the interests of the public of Ontario and Canada to continue fixed rates, or whether we should recommend that we change from fixed rates to negotiated rates.

Mr. Renwick: You've beaten me to the punch.

Mr. Pattillo: I just saw that look in your eye.

Mr. Renwick: It's exactly what I wanted to ask you. What was the number of occasions that the exchange has come to the commission, say, in the year 1974, in all of its hearings? What were the matters dealt with during those hearings? And what were the results of them?

Mr. Pattillo: They came shortly after I went up there on July 1. They came proposing that there be a surcharge put on of 20 per cent on all orders over \$20,000. I wasn't a member of the commission at that time so I took on the job of counsel, with the approval of the commission. I made a study of the matter and I went down to the exchange and said, "Before we have any hearing on this matter you will have to answer these questions."

They looked over the questions and they concluded they couldn't answer them. So they decided at that time they would withdraw the application. In the meantime, the Quebec commission had heard a similar application from the Montreal exchange and had approved it. Then, in September, they came back again and said, "Well, we agree that our first application wasn't very good, but we are in real trouble now and we need some increase and we are prepared to produce the evidence.

We had these hearings in October and they did produce evidence. They have the members of the exchange divided into four groups—what they call the A, B, C, and D group. These depend on whether you are just a local broker; whether you are a national in the brokerage business; whether you are national and in the underwriting business in the money market business as well as in the brokerage business; and finally, whether you are just dealing with institutional clients.

They brought representatives from each of those groups and they gave evidence under oath and produced figures to show that they were in a bad position. They were all losing money and some of them losing it at a great rate. We eventually concluded we would try the surcharge of 10 per cent. We put it in, and it became effective Dec. 1. The Quebec Securities Commission agreed to go along with what we did and reversed its first decision so that it was uniform. That has helped them.

There are still members of the exchange that are losing money. There are still persons who are going to have to merge or go out of business. I was satisfied, and the rest of the commission too, that we should try this until the end of July. They came back to us in April and said, "These negotiated rates are going to go into effect in New York. They are going to affect us badly because interlisted stocks account for 28 per cent of the business of the Toronto Stock Exchange." They said, "We think we'd better put in six stocks, the most heavily traded stocks, and put them on negotiated rates."

I said, "We'll have a hearing if you want but I would never agree to that because how can I make fish of one and fowl of the other? Why should you say to these six companies, 'Your stocks will be on negotiated rates,' and say to the other 60 some companies, 'You're going to be on the fixed rates?'" They went away and came back and said, "All right, we think we will put them all on negotiated rates on the interlisting."

At that point, they began to run into difficulties amongst themselves. You probably saw in the paper how many of the voters turned out.

In the meantime, they concluded they were going to monitor—and they are sending a report to us every week—all the trades taking place on interlisted stocks and where they're taking place so far as they know. We woke up to find they don't get all the information. The trust companies, the insurance companies, pension funds can call up New York and say, "Do so and so." There is no record of it at the exchange. That's why we've taken the course we have.

There are two other things. One, we became concerned when a broker came in and said, "I have an opportunity to buy a management fund of the mutual fund. I want to buy it." We said, "Wait a minute. If you have that management fund you may be immediately in a conflict of interest because if you've underwritten something, and it's a dead horse, and you don't know what to do with it, you can pass it into your mutual fund."

So we decided we'd have hearings. Much to our amazement we discovered it wasn't the case of one broker, but there were seven in all. Mr. Bray says some of them had filed a prospectus. In any event, there were far more that had got into this act than we had any knowledge of. The exchange came, made representations, and went to a lot of trouble and expense making worthwhile contributions.

As a matter of fact, I want to pay a compliment to both the IDA and the exchange. Sure, they look after their own best interests, but they are coming well prepared to present their cases as well as they can, and as honestly as they can.

Mr. Renwick: Don't let Mr. Bray off too easily. All right, all I'm concerned about is that, for practical purposes, the exchange has a monopoly. There is no commission in the Province of Ontario that's going to revoke its licence. The section in the Act which says that you license stock exchanges is irrelevant. My point is, it is extremely important there be an immense sense of distance between what the exchange is about and what the commission is about, for the reason that they can run end runs around you.

Mr. Pattillo: They cannot go through the centres as long as I have Mr. Bray.

Mr. Bray: I kept quiet as long as I dared.

Mr. Renwick: Just a second now, let me make my point. First of all, there is immense germination of changes in the New York Exchange because of the situation which has developed in New York and the problems which they've had of earning money. You've got the SEC in Washington, that's operating in a different way. Through the computer system, they are trying to establish a national exchange as I understand it. I only know what I read in the newspapers.

Mr. Pattillo: That is true.

Mr. Renwick: The Toronto exchange is always able to come to the Securities Commission and make a very plausible argument. If we're not allowed to do what they are doing in New York, or if we are not allowed to do what they are doing in Quebec—which of course doesn't have the same force—or in Vancouver, somehow we are going to be on the short end of the stick. I get the sensation through the press that generally, although maybe it's a long gestation period, they get what they want. I'm not certain it's in the public interest that they do get what they want simply because of the interconnection between

New York and the Toronto Exchange, or between the Toronto Exchange and the others. Now there's your opening.

Mr. Bray: Mr. Renwick, I think the best advice I can give you is to talk to your colleague, Mr. Deacon, who has, as I understand it, gone back into the lists, to find out whether the relationship between the exchange and the commission is a cosy one.

Mr. Renwick: Mr. Deacon has never disclosed his interest.

Mr. Bray: I think if you read the bulletin you'll find his name in there as a new director, so it's a matter of public disclosure. I think, if you were to talk to the people in the exchange, you would find them believing the relationship is a very arm's-length one. The answers they get are frequently not those which they would like to get.

I think it is fair to say, Mr. Chairman, we're very sensitive—perhaps the exchange would think hypersensitive—to the fact that we must maintain this distance, and at the same time be au fait with what's going on, giving due recognition to the self-regulatory role of the exchange and frankly the immense amount of taxpayers' money it saves in its own efforts at self-regulation.

We haven't had the back-office problems, and the defaults, and the fraud they've had in New York, where over 100 members disappeared in one year. You have to give credit where credit is due, and that's due to the the money spent by the brokers themselves in self-regulation. On the other side of the coin it's not a cosy relationship.

I think you forgot to mention takeover bids. You could talk for some length on that subject, and how last fall it appeared a loophole could be used in the present exemption in the Act to make a takeover bid through the facilities of the exchange, and was used, and I think legally used, to make takeovers by, in effect, putting a takeover bid in at above the market. As a matter of negotiation, rather than confrontation, the exchanges "voluntarily" agreed to stop that practice.

You've seen the result in the bill. That will be debated before you, no doubt, at the standing committee as to whether that exemption ought to be continued or not. No doubt you'll have some input and some thoughts at an appropriate time. That's a very important area where we have been able to move.

Mr. Renwick: I think, again, what I'm trying to emphasize as a member of the Legislature and as a member of the opposition is the

immense sense of concern which my colleague from Lakeshore and myself have, in belonging as we do to a club like that.

Mr. Bray: I agree with you.

Mr. Renwick: That is of immense concern, almost to the point where somebody, at some time, should appoint a task force to see what can be done to strengthen the independence of the commission.

Let me ask another question, Mr. Bray. What about the cease-trading orders? Are they out of line? Is there something wrong? Are there too many cease-trading orders? What causes all of the cease-trading orders?

Mr. Bray: I think, if you read our policy statement on timing disclosure, it really gives the philosophy. The dedication is to a quality of information at the marketplace. Where you find an unusual movement in the market, and the exchange has a role to play in this, then of course you should try to find out what is happening and what's the basis for the move. It's maybe not good news.

Frequently something will have happened, is about to happen, or rumours of it are about to happen. They will come to us, or we will ask, and suggest, that a cease-trading order be imposed until that news can be released. There's nothing sinister about it, in most cases. It's not a punitive action. The purpose is to put it on quickly to assure equality of information in the marketplace.

Mr. Renwick: Would you have available to you the number of cease-trading orders, say, in the 1974 calendar year?

Mr. Salter: If I may, Mr. Bray, in 1974 the commission made some 80 orders in circumstances such as Mr. Bray just mentioned to permit an equality of information among the investing public. A large bulk, though, of the cease-trading orders that you see in the bulletin was made by my predecessor as director. He made some 360 orders against companies.

Mr. Renwick: Yes.

Mr. Salter: These companies had failed to make the required annual filings of financial statements. That's the reason he gives. If the investing public has no information available to it about the company's financial condition, he would write that the company should cease trading.

Mr. Renwick: How many were sinister?

Mr. Salter: Sinister, in what sense?

Mr. Renwick: In what the company had done. How many were cease-trading orders because of punitive purposes, to use Mr. Bray's expression?

Mr. Bray: You mean where's there's fraud or something?

Mr. Renwick: Fraud or some improper practice.

Mr. Bray: There probably wouldn't be half a dozen, perhaps 10.

Mr. Pattillo: I'm not in favour of using that more often than we have to.

Mr. Renwick: That's a lot, isn't it, in a year?

Mr. Pattillo: I am really going after the person or the company and saying, "You're not a fit and proper person to be allowed to be in the business," and putting a stop to it that way.

Mr. Bray: That's a lot, but don't forget those 80 come off quickly in stock exchange terms.

Mr. Renwick: I understand that. I agree with it.

Mr. Bray: We have an auditor. The 300 that are essentially covered are dead. For some reason or another they're dead. They've run out of funds. They haven't got the money to do the annual audits and so forth. You've got a corporate shell.

Mr. Renwick: Can you describe some which were punitive?

Mr. Pattillo: Yes, I will give you one. What about Mr. Rosen? Haven't you read about him?

Mr. Renwick: Yes.

Mr. Pattillo: We put a cease-trading on Mr. Rosen. As you know, that is put on like an ex parte application; it is good for 15 days. There must be a hearing before the 15-day period is up or it lapses.

He had the hearing. He arrived with his counsel and we went on for a day and a half. We decided after hearing all the evidence that it wasn't in the interest of the public to lift the cease-trading order. We are dealing with 50 companies—a great bulk of them had been mining companies put through this brokerage house. They had gone to the public; they had collected about \$50,000 in each one of these deals; they had spent about \$15,000 on the land, and then the rest of it had disappeared down to the Bahamas.

Of course, he is up on criminal charges now and the bank he had down in the Bahamas

has been put into liquidation. But that was a case of a cease-trading order.

Mr. Renwick: How many people were hurt in the process?

Mr. Pattillo: Oh, we don't know yet in the total aggregate, but I would say thousands. There has been \$9 million disappear down there. They said they were getting gold bricks, but when we were looking for the gold nobody seemed to know where the bricks had got to.

Mr. Renwick: I suppose my question poses the answer. I mean that is the problem of the exchange. I don't think the public knows that the exchange and the commission aren't still in a position to protect the public the way we would ultimately like them to be protected. I'm not trying to put it out of perspective—I think the exchange and the commission are trying to do a good job, between the two of them. But there is an immense requirement of vigilance. Perhaps you should reclassify the various orders that you make, so they don't all carry the same connotation. Nobody knows what the reason is by the nature of the term that you use.

Mr. Bray: That may well be so, but every one of these orders is a formal order and it starts with a recital. The recital may or may not be very informative, but it may say that whereas the commission has been advised there was some information coming out of the company that it feels unable to release, until that information is released—you know that sort of thing—anybody who was curious enough could go over these orders one by one. They are self-evident as to what the—

Mr. Renwick: Oh yes, I realize that.

Mr. Bray: I agree that the brief announcement, "There is a cease-trading," is not very informative.

Mr. Renwick: I am not concerned about cease-trading orders which are for making an equal opportunity for the investor to have the information. That is not a problem. It is the punitive ones that are difficult.

Mr. Pattillo: It's a good idea to see whether we can have a better description.

Mr. Renwick: I have monopolized the discussion far too long. Could I ask the names of the members of the commission now? Have I got them anywhere?

Mr. Bray: Of the commission?

Mr. Renwick: The whole commission. I don't think I have them in the information here.

Mr. Pattillo: I could tell you who they are. I'm the chairman, as you know. Mr. Bray is the vice-chairman. There are Mr. Guillet, who is a geologist, and Mr. Hutchison, who used to be the senior partner of Peat Marwick and whose term is expiring in the fall and now spends a good deal of time with his wife in Florida, and wishes to retire.

Mr. Renwick: That's too bad.

Mr. Pattillo: I'll tell you what I am about to propose to the government about that. We have just been fortunate enough to get Mr. Steiner to come on the commission. He was former chairman of the Toronto Stock Exchange; we needed somebody who knew the inside of the exchange. We have Mr. Wilson, who has recently retired from Clarkson Gordon. He was a senior man there, who is already becoming a tower of strength to us. We have Dean Johnston of the law school at Western and we have Prof. Beck of the law school at Osgoode. He is presently on a sabbatical and teaching at Oxford but will be returning in August.

When Mr. Hutchison retires, I hope that with the assistance of the minister we will get a businessman to come on—a person who won't be bogged down with legal niceties and accounting accuracies, but who will say we will do it this way.

Mr. Renwick: And my last question—the answer is obviously going to be yes: Is there adequate staff and is the remuneration adequate?

Hon. Mr. Handleman: I will let the chairman answer that.

Mr. Pattillo: As everybody says these days, there is no such thing as adequate remuneration. But I would point to the new chap that we've got to come in there as deputy in charge of enforcement. We were assisted in increasing the amount that we were offering him to a place where it became attractive for him to come. We have got these young fellows in there on deals with the various firms from which they come and the firms were satisfied.

I would be the first one up to see the deputy and then ask him to go to Management Board if I found that I couldn't get competent people. I am trying to set up the commission with the help of Mr. Bray and Mr. Salter with the most competent people that I can get in the city. I don't want to have to take off my hat to anybody who comes up from downtown.

Hon. Mr. Handleman: I think Mr. Pattillo is just too modest to say that the performance

of the commission would answer your question in the affirmative.

Mr. F. Young (Yorkview): In the instance you have just mentioned, is there no way that this sort of bilking of the public can be cut off at the pass? Look at Windfall. They sort of had expectations that that sort of thing could not happen again. But it does happen, and the instance you've just cited is another one where people in good faith put their savings in the investment field and believe that it is sound and it's being watched over and there are competent people making sure that the person who is dishonest is not operating. Is there no way that this can be cut off and stopped effectively?

Mr. Pattillo: I am going to ask Mr. Salter to answer that. As you probably know, my antecedents are from Nova Scotia and I'm dubious.

Mr. Renwick: You are closely associated, Fred. You are both socialists at heart.

Mr. Salter: Mr. Chairman, probably the nearest to anything approaching totality of success here is simply vigilance in surveillance. A recent example that comes to mind—it touches on a point that Mr. Renwick made a moment ago as far as co-operation among the commissions across Canada is concerned—is a company with an iron ore prospect that issued a press release stating it had arranged a sales agency contract with a European firm. Unfortunately, the company's property was not then in production, is not now in production, and probably couldn't be in production without the expenditure of over \$200 million. The publication of that news release was followed almost within hours by cease-trading orders from the Quebec and Ontario Securities Commissions. I believe the one I have in mind is still outstanding. It's through that sort of surveillance and that sort of quick move where it is warranted that I think these frauds can perhaps best be prevented.

Mr. F. Young: But the actual trading does take place in these stocks.

Mr. Bray: I think the point is that you can't look into a man's mind or into his heart, not the first time around. You can try to see if he's got a track record and even then he may conceal his true identity from you initially. All you can do is respond as quickly as possible. You do your best. You can't screen company management on company boards. We don't license directors. That would be the last thing in the world that I think at the moment we'd want to do.

We've got to respond quickly and, once we do respond, we do have a reasonable arsenal of administrative responses we can make: (a) to stop anyone else from being harmed, once we see the indication, and (b) to lock whatever assets are available in place for the benefit of those for whom they were obtained. We use both of those.

Mr. F. Young: The track record now is much better than it was a few years ago.

Mr. Bray: We are much better equipped to respond to the sort of thing we are talking about than in the Windfall days. I've said in other forums that Windfall could not happen today in the way that it happened, because long before it got to that extent there would have been a cease-trading order out. In those days the commission (a) had no power over the exchange to require the exchange to do anything, and (b) had no power to issue cease-trading orders.

I can't cite Mr. Renwick an example, but there are examples where we have issued cease-trading orders where the exchange would much rather we would not. In other words, we've overridden them and issued a cease-trading order and that stopped trading on a listed issue,

Mr. F. Young: Today the so-called villain looks a little more carefully before he launches his scheme.

Mr. Bray: The opportunity for great profits is not as advanced. The Rosen scheme goes back over 10 years. It is something that has been enshrined for 10 years.

Mr. F. Young: Your feeling is that it couldn't happen now?

Mr. Bray: Not in that way or to the same extent. It could happen, certainly.

Mr. F. Young: Yes, but not to get away with it as far and as long.

Mr. Bray: I would hope that we're equipped with a method that it wouldn't.

Hon. Mr. Handleman: We still have problems with people who are operating outside the law, completely unknown to us. One of your colleagues has brought to our attention a situation of what he thinks is that type of case and we jumped upon it immediately. Sometimes we do have to depend on people informing in order to keep ahead of a situation, because the commission can't be aware of every little bucket-shop operator who is doing something completely outside the law without anybody's knowledge, and that's difficult.

Mr. Bray: If there were \$1 million in the treasury and the temptation were great enough, the crooked man could still take that \$1 million and disappear. There is no way of stopping him.

Mr. Chairman: Any further questions? Mr. Renwick.

Mr. Renwick: I think I'm quite happy. I noticed you ducked the question of increasing your complement because the government is committed to a policy of not increasing the complement of the civil service. I didn't want to embarrass you with that.

Mr. Pattillo: May I say I voluntarily reduced the complement in our place last fall. If you look at the list you will see.

Mr. Renwick: There is a lot of voluntary reduction in complement.

Mr. Pattillo: No, that is a fact.

Hon. Mr. Handleman: It might not have been voluntary on the part of people who departed.

Mr. Chairman: Item 1 agreed to. On item 2.

Hon. Mr. Handleman: Gentlemen, we have Mr. Bentley and Mr. Neale of our staff for the Pension Commission of Ontario. If there is any aspect of the ministry that is more technically complex than the Securities Commission, it's the Pension Commission. I'm afraid most of your questions will have to be addressed to staff.

Mr. Renwick: Mr. Chairman, I don't pretend I agree with the minister. That doesn't prevent me from asking some questions. It is really not a question. I am going to make a statement and I would like a comment on it. It's a matter which I have been concerned with, without knowing anything about it in the professional sense, other than what I know and read in the paper and the constant concern about it. I know before I make this statement that it's not the same as in the US. There were different problems in the US and all the rest of it. I don't want an answer related to the difference between the United States and Canada nor do I want a statement that Ontario is better off than any other province in Canada or in the world and has the finest pension administration.

Hon. Mr. Handleman: I will refrain. I will control myself.

Mr. Renwick: Will you?

Hon. Mr. Handleman: Yes, I promise.

Mr. Renwick: Private pension funds seem to be headed for trouble. Few actuaries actually predicted the fantastic wage increases over the last couple of years. Fifty-one per cent of pension plans are based on final or best average earnings. These plans are thus having to guarantee beneficiaries pensions at levels never dreamed of three or four years ago.

In addition, pension funds have been suffering in the stock market. Those heavily into equities have seen their investment decline by as much as 20 per cent in the last two years. Many more have lost as much as 10 per cent. Pension managers must now find the money to bring the plans up to government of Ontario standards and they must do it within five years as stipulated in the Act.

By and large, there's no danger at the moment but a few more years of highly inflated wage increases could change the picture. The costs of funding experienced deficiencies caused by inflation might be so high as to preclude improvements in any other areas, for example, benefits to pensioners or employees at retirement. Probably what will happen is that the design of pension schemes will change so that there are fewer final pay pension schemes. Early retirement trends will stop as well as trends to provide spouses with benefits at retirement.

Unfortunately, the final pay-type schemes are usually the best for the pensioner and it is hoped that private pension schemes won't decline in their overall adequacy. The alternative, if this happens, is to have government undertake most of the responsibility for pensions. There are arguments for this on both sides, of course. It is interesting to note the creation of the Canadian Association of Pension Supervisory Authorities. Perhaps this is the first step toward more centralized control of pensions which would then act as a stepping-stone toward more government involvement.

This is the end of my statement. I don't pretend to understand exactly what it means but perhaps what is implicit in it deserves comment.

Hon. Mr. Handleman: I think you have brought up a point which has been raised in the House and has been recommended to the government from a variety of sources. If I may take the liberty of paraphrasing you, we are really looking for a guarantee of some kind of safety to pension funds and to the returns from them for those who are retired. The commission has been looking at this matter for quite some time. Mr. Bentley, as I say, is the in-house expert on the means whereby it may be achieved. I am going to let him tell you

what they have been looking at and at what stage they are in their deliberations.

Mr. J. W. Bentley (Superintendent of Pensions): First, as to the figures that were quoted—51 per cent—I think you would have to separate those in that the bulk of that 51 per cent—more than half of it—is involved with government employees; that is, employees in the federal civil service, the armed services and the public service of Ontario. They are included in that 51 per cent and they have a different guarantee, I think, under government than they would have under a private plan.

If I use any terms that are technical to this kind of an industry, tell me and I will try to explain what the term means. In the really private sector, not those plans sponsored by government, about 25 per cent of them, covering in the neighborhood of 600,000 employees out of a total of almost three million employees in Canada, would be under that kind of pension arrangement—the final-pay benefit formula, which is related to salary close to the time the individual is eligible to retire. It is quite true that in the costing of the plan, in the past when inflation was not a major factor, the salary scale used by the actuary was a more modest scale than the experience in the last couple of years. You know where our salary scales went in the last couple of years—up anywhere from eight to 15 per cent.

Naturally, in a final-pay plan, where you are projecting the cost not just from the moment you are measuring the cost but away into the future, the salary scales apply to salaries at the levels at the time that the actuary is using in his projections. Of course this takes us on to a very great amount. Normally, yield returns on investment of pension fund assets—and of course, in addition to contributions and so on that are made to the plan—in these assumptions are anticipated under what could have been termed normal conditions a few years ago to work out reasonably close. After all, there are projections 10, 15 or 20 years into the future. So there is an area at which a mistake or a wrong judgement can be made in determining assumptions used by the actuary when he is costing the plan.

One of the safeguards, and I think it is a reasonable safeguard, that we have had in the legislation is that five-year experience deficiency funding rule. That is simply this: Since the actuary is required to provide a valuation report at least every third year, he can provide it every year if he so desires, or once before the end of three years, the way the costing programme is set up. If the actual experience from the prior costing report to the new costing report has differed from the assumptions

that the actuary has used—as to interest, mortality, all the various factors that he takes into consideration—we deem that, under the regulations to the Act, to be an experience deficiency, and that amount must be amortized over a period of not more than five years.

This differs from the normal, what we call unfunded, liability. An unfunded liability is something that is created when a plan is first established, and where they create credits for prior service, or when a pension plan is amended to improve the benefit structure retroactively. This would create an unfunded liability. That must be amortized by 1989 or within 15 years, whichever is the greater period of time.

So our fairly rigid funding rules do at least compensate, in my opinion, to quite an extent to cover a difficult situation. It is very difficult to determine whether our current situation with respect to inflation is going to continue at double-digit rates or whether it's going to come down to a more controllable rate. It is a very difficult thing to determine. One of the compensating factors in it is the fact that we have these kinds of funding rules.

With respect to the stock market, a pension plan, except under very unusual circumstances, doesn't have to realize its assets. It doesn't have to liquidate the assets. They can be held. Bonds can be held to maturity. Even though they may be discounted at a pretty terrific rate right now, they can be held to maturity and the pension fund won't lose if that happens.

With stocks—equities—of course you have got a little different proposition because they can be moved through the knowledge of the investment available to the people who handle the fund. These funds cannot be handled by the employer. They must be handled by a corporate trustee, or individual trustees under proper trust indentures, or by insurance companies. Whatever they choose as the vehicle to hold and invest the funds, they must be separate from the employer's accounts. With those safeguards and the fact that they accept upon the winding up of a pension plan, the assets of the plan do not have to be realized at any given moment.

As you know, from Dec. 31, 1974, any plan having to have an actuarial evaluation at that time, at the very depressed condition of the market at that time, could show very extensive experienced deficiencies due to the market condition, that condition alone. The recovery that took place by, we'll say, the end of March or the end of April could have changed the condition of that particular plan. There is no other explanation except those are the condi-

tions that do apply as far as the statute and as far as the regulations under the statutes in Ontario are concerned. I've avoided very deliberately the American situation.

Mr. Renwick: Let me ask within the perspective and knowing that it's an extremely sensitive area, because people's work lives are involved in it and their retirement is involved in it, are there concerns which you have about the adequacy of the standards now in the Ontario pension laws or the practices that you've developed?

I know this is difficult with the minister sitting there, but are there things which you think should be done? Have you made recommendations to the minister? I don't mind if you don't tell us about what they are. I really guess that what I'm asking you is is this a serious problem which requires policy changes by the government or not?

Mr. Bentley: Whether the minister is here or not, I think I can answer. Yes, we have been for the last 18 months. Again I must go back to some things that were said just a short while ago under the Securities Commission. In Canada, private pension arrangements are part of the responsibility of a provincial government. But because so many of our large corporations and our large businesses have employees located across Canada, it makes it very difficult when British Columbia doesn't have the same legislation as the provinces of Alberta, Saskatchewan, Ontario and Quebec, and they are the only province at the present time that does have this.

Nevertheless, in order to keep some degree of uniformity in the legislation, and in order to treat both employees and employers who are sponsoring these plans and create no more undue hardships for any one of them by having varying rules, we do try to arrange for regularly occurring meetings with our people in the other jurisdictions to try to develop ideas and concepts which will lead to changes in the legislation to give more adequate protection to individuals. We do carry this out, and there is a series of what we hope will be improvements which will be recommended to the governments of Quebec, Saskatchewan and Alberta.

Mr. Renwick: Is this this Canadian Association of Pension Supervisory Authorities?

Mr. Bentley: That's right.

Mr. Renwick: How old is that?

Mr. Bentley: We established it on May 10 of last year.

Mr. Renwick: Of last year?

Mr. Bentley: But we've been working to establish it for the last five years. It's been slow to move.

Mr. Renwick: Are all of the provinces and also the federal government now members of that?

Mr. Bentley: The federal government, the provinces of Ontario, Quebec, Alberta and Saskatchewan are the only provinces presently having the legislation.

Mr. Renwick: Not Manitoba and British Columbia?

Hon. Mr. Handleman: They're pretty backward.

Mr. Bentley: Before I left Toronto last weekend, I was advised by the Province of Manitoba that second reading had been given to a pension benefits Act which is substantially similar to the Act of Ontario. The Province of Nova Scotia has given third reading to a pension benefits Act but the bill has not been proclaimed as yet. I'm very fortunate in that I'm being given the opportunity to work with Nova Scotia to help them establish their organization there. I understand the Province of New Brunswick is actively looking at this legislation now. Whether it will get before their Legislature this year or not, I cannot tell you. I know nothing whatsoever about British Columbia.

Mr. Renwick: We will try to find out for you.

Mr. Bentley: Good, I wish you would.

Mr. Renwick: How many private pension plans are registered with you now?

Mr. Bentley: There are over 8,000.

Mr. Renwick: And would you have any idea how many of those are Ontario plans but also cover outside Ontario?

Mr. Bentley: I don't think I have those figures with me, but I believe in the neighbourhood of 1,500 to 1,600 of those have membership in other provinces. Quebec has in the neighbourhood of 500 plans registered where the plurality of employees is in Quebec, but having members in Ontario and in other provinces as well. Alberta and Saskatchewan have some plans that they have registered, and they supervise on our behalf.

We have an interprovincial agreement, whereby if, for instance, the plurality of the members is in Ontario, then Ontario will supervise the plan on behalf of the other jurisdictions

—so there is only one authority to whom the employer, or whoever is responsible for filing reports, will report. They don't have to report to Quebec because we will administer the Quebec plan on behalf of employee members.

Mr. Renwick: You could say that the pension commission can't guarantee the viability of a business that happens to have a pension plan.

Mr. Bentley: No, we can't.

Mr. Renwick: So making that distinction, can one say that the concern which has been expressed, and which I tried to reflect in those remarks which were prepared for me by a member of our research staff—and I don't pretend to understand them; she probably got the information from you—

Mr. Bentley: I think that is correct, sir.

Mr. Renwick: —is it fair to say that persons in Ontario need not be concerned about the adequacy of the Ontario legislation to protect their positions? I know that is a tough one, and I probably phrased it more bluntly than I want to. My concern about the pension plans goes back now about two years, and I think it is only in the last two years that we have really raised any questions in the estimates about them, or been in contact with the ministry about them. Is it fair to say that no one need be concerned about the security of one's pension benefits under those private plans?

Mr. Bentley: I am not trying to qualify this, but I would have to answer it in two different ways. First, with respect to an ongoing plan where it is anticipated that the employer will be in business for another five, 10, 15 years, I feel we have reasonably good safeguards in the legislation existing in the various provinces that have it now, because we have fairly rigid funding arrangements, rigid costing arrangements, and we do have the authority if we do not agree with the actuary—and I hate to say this publicly—but we do have the authority under the legislation to reject any report where we do not agree with his assumptions.

Whether we are actuaries or not, we do have that right under law, and we have not hesitated to use it where we have felt that the assumptions, or the methods, or the value placed on assets in the report on an ongoing situation have not been satisfactory to us. This is one of the situations.

With respect to any plan that may be wound up for whatever reason—whether this is a voluntary action, or an involuntary action such as bankruptcy or receivership and the plan is forced into a windup position—we can have a variety of situations.

We have presently in Ontario and registered with us a great number of plans which can be considered to be fully funded and it means simply this, that the assets at the time of breakup of the plan are sufficient to cover all accrued benefits up to the date of the winding up of the plan. That is, the employees will get their full accrued entitlements. The pensioners will continue to receive their pensions. The vested benefits required to be paid under the terms of the Act or the terms of the pension plan will be met. All other accrued benefits will be looked after either by cash refunds for the very short service employees or obtaining a deferred vested benefit. We have quite a number of plans in that condition in Ontario.

We also have the opposite situation. It is a relatively new plan and has had a short funding period. The benefit structure is fairly substantial and they are not anywhere near the full period of amortization for past service liabilities or for increased benefits which have been granted retroactively. In this situation, if it took place, we could have a windup where there would be cutbacks because there would not be sufficient funds paid into the plan at the time of windup to give full protection to everybody.

One of the conditions in that situation is that no assets may be distributed to the members except for pensions in payment because it may take us a while to determine a proper method of allocation of the funds or at least a reasonable method of allocation of the funds. Pensions in payment have to be continued but no assets can be distributed without the prior approval of the commission except for these situations I have described.

Mr. F. Young: Is there full protection in case of takeovers?

Mr. Bentley: I think you will recall, in 1973 we introduced section 25a to the legislation to try to look after that situation so that for the employees affected by the sale, transfer, or whatever situation took place, we would deem their employment to be continuous so that any rights accrued under the prior plan would be a right which has to be transferred or fully paid for by granting a deferred annuity. It would be carried forward into the new plan so that the employee will have the opportunity to continue to accrue benefits.

Mr. F. Young: Has that worked?

Mr. Bentley: Reasonably well. We have had some difficulties because there is no way I know of that we can possibly cover every conceivable situation. I think one of the beauties of that section is that it does give us

a little bit of leeway to use some judgement. I don't pretend we have been successful in every situation but in most cases we have been able to provide for reasonable protection for those people who continue with the new employer—the guy who sits at the same desk or the same machine.

Mr. A. W. Downer (Dufferin-Simcoe): Are profit-sharing plans registered with you?

Mr. Bentley: Deferred profit-sharing pension plans are; it is a different thing from a profit-sharing plan. Profit-sharing plans are not registered with us. Deferred profit-sharing pension plans are registered with us.

Mr. Downer: The next question is, is there an age limit when you can begin to take pensions?

Mr. Bentley: There is nothing in the legislation which defines retirement age. Retirement age is defined normally—in fact always—under the terms of the pension plan. If one employer wishes to give a better retirement age through his plan to his employees it would be silly for us, I think, to say, "Okay, retirement age for everybody shall be age 65." If the plan says retirement age is 62 with 10 years of service, that is the retirement age at which that person or any person who qualifies will be entitled to receive his benefit.

Mr. Downer: There is no minimum age, either?

Mr. Bentley: There is no minimum age.

Mr. Downer: For example, you wouldn't ordinarily retire until 65 but you say he could retire at 35?

Mr. Bentley: Yes, if such a pension plan was written. I hope you could find me employment in a pension plan written for age 35 with 10 years of service, with a reasonable benefit. They could have it.

An hon. member: He is talking about professional students.

Mr. Renwick: Are you thinking of retiring?

Mr. F. Young: In the armed services very often there is a 20-year retirement plan. They retire people very early.

Mr. Downer: Forty anyway.

Mr. Bentley: That's one plan that is not subject because it's a federal pension plan and we have no supervision over the armed services plan.

Mr. Renwick: Tell me, Mr. Bentley, is the Pension Commission concerned at all at the investment policies of the various plans, and if so, to what extent? Does it matter to you whether they are trustee plans or insured plans?

Mr. Bentley: The Act sets both quantitative and qualitative limits. I don't know if you want me to go into a lot of detail.

Mr. Renwick: No, I don't. I just want to know whether you feel those limits are adequate in themselves, without any additional monitoring or sampling or other advisory techniques of the investment policies.

Mr. Bentley: We have found, in 10 years of experience, that they have seemed to work reasonably well. We won't permit, for instance, any more than 10 per cent at book of the assets to be at risk with any one corporation, whether these are a combination of debt-equity issues or whatever. We limit the eligible investments in real estate. We limit an amount in the basket which is seven per cent of the total assets at book to those kinds of investments which are not considered as eligible investments under section 63 of the Canadian British Insurance Companies Act. Many organizations have indicated that maybe our limits are too narrow. Others have indicated the opposite.

These seem to have worked reasonably well and I think in the main have done a reasonably good job in setting—it is more than guidelines, it is by regulation—not a perfect job by any means, but a reasonable job considering that in Canada, in the private sector alone, there is well over \$10 billion in private pension plans. That is leaving aside the government sector and so on.

Mr. Renwick: To what extent are the provisions of the Income Tax Act of Canada an additional safeguard, because presumably most employers want to register their plans for tax purposes?

Mr. Bentley: There are two conditions, primarily. One is that, by the rules of the Department of National Revenue, where there is legislation in the province which supervises private pension plans, the Department of National Revenue will not register a plan for tax purposes unless it has received the prior approval of either Ontario, Quebec, Alberta or Saskatchewan or, in the case of those plans subject to federal jurisdiction, such as banks, transportation and so on, has received the approval of the Department of Insurance under the Pension Benefits Standard Act, which is substantially similar to provincial legislation.

That is one of the requisites for registering with the Department of National Revenue.

Of course, the others are primarily a tax consideration. These deal with shareholder plans and with these kinds of arrangements. The old top hat kind of a situation.

Mr. Renwick: Yes. I was thinking more of the employee plan. Tell me, when you say there are 8,000 private plans in Ontario, how many employees in Ontario would be covered under them?

Mr. Bentley: Approximately 1,100,000, give or take a few.

Mr. Renwick: Yes, but in excess of a million?

Mr. Bentley: In round figures, in excess of a million.

Mr. Renwick: Thank you very much.

Mr. H. Edighoffer (Perth): What about the portability of pensions? Do you see any changes in the near future so it would be much easier for the work force which is moving around?

Mr. Bentley: That is something under very active consideration by the organization Mr. Renwick spoke of, the Canadian Association of Pension Supervisory Authorities, which is made up of the representatives from the provinces that I mentioned—Quebec, Alberta, Saskatchewan and Ontario, and the federal government. Yes, it is under very active consideration and it is like almost anything else—what is the best possible arrangement that you can recommend to your minister and, subsequently, to the Legislature, of each of these jurisdictions? It has to be probably in the nature of a compromise, because there can be slight differences among the jurisdictions. But it would be silly, for instance, for Quebec to go one way and us to go another way, and Alberta another way. We're doing our darndest to work this out and to come up with something that we can all accept and all recommend to our respective governments.

Mr. Edighoffer: Of the 8,000 plans, how many plans would there be now that would have a portable clause in them?

Mr. Bentley: I will try to keep away from any technical terms if I possibly can. Again, if I use something, stop me, and I'll try to explain it.

The Acts are concerned with preserving the employee's right under certain conditions. The conditions that exist now for vesting are attainment of age 45 with 10 years of service. You

know and I know that that can be argued as to whether it's only a minimum situation and should be improved, and that is the area we're looking at.

Truly, as long as by law you preserve that entitlement for the individual, that is just the same as putting it in his hip pocket and walking away with it. That is the one difference now. Under true portability, he could have the credits transferred wherever he wants without any problem. We protect only at the age-45 and 10-year level at the present moment, and require that. That is protected by statute; that is his by right of law, not by right of a contract or anything else—and we can protect that for the individual.

If we change the vesting to improve it, then of course we improve the portability condition by preserving this right for the individual.

Mr. Downer: Any thought of reducing that to 35 from 45 with 10 years' service?

Mr. Chairman: Mr. Lawlor, did you have a question?

Mr. P. D. Lawlor (Lakeshore): Yes, I did.

Mr. F. Young: He expects to be 35 before too long.

Mr. Lawlor: I want you to explain something to me. You spoke about the deficiency funding rule, and then you mentioned that if the assumptions differed upon review within a three-year period, then an amortization of five years would be in order. I wanted you to explain the amortization a bit.

Mr. Bentley: Okay. Do you mind if I go right to the beginning, so I can explain the difference between an unfunded liability and an experienced deficiency?

Mr. Lawlor: Yes.

Mr. Bentley: When a pension plan is established, they may grant a benefit for prior service. In other words, they didn't have a plan before, so now they're saying to the employees: "Okay, for the last 10 years we're going to give you a certain level of benefits, just because you were with us for those 10 years."

There's been no money gone into the pension plan up until that moment because it never existed. They have to establish at the time that the plan comes into force, the liability for that past service that they have granted under the terms of the plan. That is an unfunded liability and that is required to be amortized over a period of not more than 15 years. So, if they've established a \$1 million liability by the granting of certain benefits for past ser-

vices, then they have to pay off that liability over 15 years.

Mr. Lawlor: That's 1989.

Mr. Bentley: Or 1989—whichever is the longest period. It's 15 years now.

Mr. Lawlor: Pardon me. Stop there just for a moment. On the unfunded, they may do that in whatever way they please? There is no set amount per annum or otherwise?

Mr. Bentley: Oh, yes, there is, because this must be calculated and then the amortization schedule set up, and these payments must be made every year.

Mr. Lawlor: It's a strict amortization.

Mr. Bentley: That is right. You can't skip any years. You can pay in more, but even if you pay in more you still cannot skip any year. For instance, you had a \$1 million liability and you had \$500,000 that you wanted to apply against the liability. You can apply it against the total liability, then you must recompute the balance and you must amortize the balance over the remaining period.

Mr. Lawlor: I see. All that does is fore-shorten the running time, really.

Mr. Bentley: That is right.

Mr. Lawlor: What is the situation where a company, because of the situation Mr. Renwick initially mentioned of the five best years, has employees over periods of 25 to 40 years and their five best years were the last years and the money has been paid in over a stretch of time, so that this is very much deficient in terms of what the payoff will be in terms of retirement? I know one company—or was told the other day about one company—that forked over a cheque of \$1 million on the line. Is that common?

The report was given to me that there was an enormous feeling of anxiety within that organization that didn't want to use the million bucks for that particular purpose at this time; they could well use it elsewhere. Nevertheless, in order to give them a sense of balance and security, and so that their fund would be properly funded, they felt it was necessary to do this. I am asking you if this is common. I suppose what they are doing, as an alternative to amortizing, is they simply take the whole brunt at one crack or something.

Mr. Bentley: This has happened in a few cases. It hasn't been my experience that it has happened often, but I have seen lump-sum payments put into pension plans for whatever

reason. Again, I don't know the thinking of the people who run the corporation or anything else; all I know is that there is evidence that there has been a healthy chunk of money put in to apply against the unfunded liability which, again, is something which we love to see, because it does give that added protection to the employees.

Mr. Lawlor: With market conditions, with the stock market, because of its vacillations and because of deficiencies there—it's very often a falling market, over against this five best years situation—many funds must be in severe jeopardy, and I am thinking of the situation when they ain't got the million bucks nor—within the fairly rigid, I take it, five-year amortization rule—any likelihood of having enough funds, liquid capital, in order to meet those contingencies, have you any flexibility in that regard?

Mr. Bentley: Under the regulation, we have very little flexibility. I don't know how to explain this, because this becomes highly technical and maybe I should have an actuary here to explain this, but I think where the very substantial experience deficiency will arise because of the low-market conditions now will be in the final-pay plans normally. Because these are costly plans, the actuaries have used pretty conservative methods and assumptions; that has given one built-in protection.

Mr. Lawlor: Within the last three years?

Mr. Bentley: No, this has been over the last 10 years that these have taken place. It may not be sufficient to cover a deficiency that might appear, we will say, as of Dec. 31.

Mr. Lawlor: This is a long-standing plan, yes.

Mr. Bentley: That's right. There is one other thing that we can do; there are a number of tests that can be applied by the actuarial profession, because in using a projected method—that is a method where they are projecting liabilities and assets away into the future—we would permit them to apply a test using an accrued method, which means the value up to the moment in time that they are examining the financial condition of the plan and the fund, and we would let them provide us with a report using conservative assumptions, using an accrued method, not a projected method, to determine the extent of the experience deficiency.

Mr. Lawlor: The accrued method is simply retrospective rather than projected method, isn't that it?

Mr. Bentley: That is right.

Mr. Lawlor: I am going to put it to you, nevertheless—

Mr. Bentley: That is about the only leeway that we do have.

Mr. Lawlor: —I don't know how you are going to respond to this—it seems to me that many companies, in the context and conditions I have just described, could very easily go bankrupt in the next five years, or even shorter periods than that, on any five-year projection that they may have; they simply are not going to have enough capital in order to finance these plans; the funds are going to drive them underground.

Mr. Bentley: This is entirely a possibility. I think I can assure you right at this moment that this is something that is under very active consideration. We know the way we want to go. It's a matter now of just getting the principles established and I hope when I get back from Quebec City next week that we will have established them. That's why I am glad our estimates are over tonight because I have to leave Sunday for a week's meeting in Quebec with the other jurisdictions. I hope we will have an approach that will help to alleviate this situation because it is of a prime importance right at this moment.

Mr. Lawlor: You are a very winning gentleman. It is a most curious thing that, sitting here on these estimates tonight, the tentative resolution of that issue is not apparent but some time next week after these things are all over, you'll come to a conclusion. I quite appreciate the situation. You generate the difficulty.

The fact is that as it stands it's precarious and I think it is quite overwhelming in its importance for many industries in this province. Perhaps we shouldn't talk about it. When we talk about the gloomy prospects or possibilities, somehow you are supposed to generate them, particularly if you are in the opposition. There was talk about our own self-serving or self-fulfilling motives. Anyway, it would be a most regrettable thing all the way along the line.

Would you move, do you think, in the direction of extending out that amortization period to, say, 10 years?

Mr. Bentley: Or possibly even to 12 or 15 years.

Mr. Lawlor: Yes.

Mr. Bentley: In other words, to consider some of the things that are not controllable,

some of the factors that the actuary has to use that he has no control over, which are interest rates and final salary scales particularly. I'm finding this very difficult because I have worked so hard on it in the last eight months and I hope we are close to a resolution.

Mr. Lawlor: I take back what I said. At least, we got on to it and that's pretty good.

Mr. Chairman: Mr. Young.

Mr. F. Young: How detached is the business of the pension fund from the business of the corporation in most cases? In other words, is the capital of the pension fund invested to any great degree in the stock of a company itself? Must it be completely apart from that so that if a company goes bankrupt the stock doesn't?

Mr. Bentley: The maximum amount that a pension fund can hold in any company, and this includes investments in debt, in equity, would be 10 per cent. That would include up to 10 per cent of the book value of the fund, which could be held in issues of the company sponsoring the plan, but not more than 10 per cent.

Mr. F. Young: Conceivably, if a company went up to 10 per cent, and it might not be that depending on the book value—

Mr. Bentley: That's right.

Mr. F. Young: —up to 10 per cent could be lost?

Mr. Bentley: That is a possibility in those situations.

Mr. F. Young: Or if another company went bankrupt in which pension investments are part of the capital.

Mr. Bentley: That is correct.

Hon. Mr. Handleman: A positive way is to say 90 per cent would be saved.

Mr. Chairman: Any further questions?

Mr. Lawlor: Are the provisions of the British Insurance Company Act comparable or identical with that of the Trustee Act of Ontario?

Mr. Bentley: I don't think I can answer that question for you. I don't believe they are fully compatible with it. We use the Canadian and British Insurance Companies Act because it seems to have fitted the situation respecting investments of pension funds probably better than anything else we could have found. It is true we could have devised by regulation or the statute itself a set of rules and regulations

with respect to investing funds or lending funds but this seems to have worked reasonably well.

I know there can be complaints and I have had complaints about some of the rigidity of it, and so on, but in the main I think it has given reasonable protection to pension funds. They must be separate from the employers' own funds; they must be held under a proper trust indenture or with an insurance company, if that is the way they wish to have it held. It is a complete separation. The people who are handling the investments know the law; they know it even better than I do as to what is eligible for investment and what is not.

Mr. Chairman: Mr. Young.

Mr. F. Young: In connection with this 10 per cent, I would like to ask one more question—I would have asked it sooner if Lawlor hadn't been so quick on the draw here, but it is along the same line. Is the 10 per cent to cover all the subsidiaries of the main company? That is, can the company invest in a subsidiary and not count against the 10 per cent?

Mr. Bentley: Yes.

Mr. F. Young: Can the pension fund invest?

Mr. Bentley: Yes.

Mr. F. Young: So conceivably, with a dozen subsidiaries, the whole pension fund might be tied up within the one industrial complex?

Mr. Bentley: It is entirely possible that this could happen, except that the investment of the funds is separated from the employer. It is possible, probably, to bring—

Mr. F. Young: There are interlocking directorates, of course.

Mr. Bentley: But in the main we haven't discovered that kind of a situation.

Mr. F. Young: It doesn't happen very often?

Mr. Bentley: I can't think of a time that it did happen.

Mr. Chairman: Mr. Renwick.

Mr. Renwick: Mr. Chairman, if I may, I think I was relatively instrumental in providing for that amendment to the Pension Benefits Act that permitted an employee to examine the plan at your offices.

Mr. Bentley: Yes.

Mr. Renwick: Have many people made use of that? The problem at the time, when the minister's predecessor raised it, was that there

was a cost factor involved. Are people making use of it?

Mr. Bentley: Yes, we are getting quite a number of people or their representatives coming to our office now to obtain the information respecting the employees. We have a man who will provide this and who assists, where it is necessary. We are not getting a lot; I would say approximately 150 people per year are coming in and using it now.

Mr. Renwick: As it becomes more known, I suppose more people will avail themselves of it.

Mr. Bentley: Yes, last year we had 122 people come in. We still get thousands of telephone calls; they are mostly inquiries and so on, and we can deal with the bulk of them by telephone.

Mr. Renwick: The origin of that is quite interesting; it was an inquiry from a lawyer in British Columbia.

Mr. Bentley: Yes, I recall that one very well.

Mr. Renwick: He finally wrote to us and the minister accepted the amendment.

Mr. Chairman: Mr. Lawlor.

Mr. Lawlor: Just one thing, following through on what Fred Young had to say. Mr. Minister, I think you should look at that situation where the whole amount of the fund, through trust indenture, can be reinvested back within certain conglomerates or certain empires, all pyramided within a particular structure. I think there is a conflict-of-interest concept written in there somewhere. Ten per cent would be fine if that were the limitation within any particular overall structure. But to get a diversification of the plan, to get a guarantee or to give it some form of security, no more than 10 per cent within the whole ambit of the pyramid ought to be permitted, it seems to me. And the funds handled through the trust corporation or the insurance company, in their investment portfolios, should be diversified out elsewhere and not caught only within. This is one way of a corporation, whether it is a sole or joint contributor to the plan, whatever the ratios may be with its employees, using numerous subsidiary faculties to roll back to its own industry the particular benefits of this plan. If it fails, then not only would the employees lose their employment from one point of view, but they would lose any benefits that may have accrued to them from the second point of view. I think it's something really worth looking at.

Hon. Mr. Handleman: Mr. Bentley has said that to the best of his knowledge the situation hasn't risen, at least to the extent that Mr. Young has suggested. But, on the other hand, since it has been brought up, I am quite sure the Pension Commission will take a look at it, and I would rely on recommendations emanating from the commission after they have consulted with their colleagues.

Mr. Lawlor: I would ask you to look at it.

Mr. Bentley: I will look at it. I can only say there is one safeguard in the separation of the funds and the fact that the trust indentures with the corporate trustees—and that's where the bulk of the funds are held—do provide for the investing of the funds by the corporate trustees, according to the policy laid down by the trustees of the pension plan, whoever they may be. This may be some senior people or some representatives of union and labour and so on; they set the policy. I think there is one built-in safeguard, that most of the corporate trustees certainly are—shall I say it this way?—playing ball with us. We haven't run into it but I certainly will bring this to the attention of the commission.

Mr. Lawlor: My only comment on it, if I were E. P. Taylor and not in the position at the moment of pulling out and taking over the whole of the Bahamas, if I weren't doing that, I should certainly see that these moneys were diverted back to my subsidiaries and corporations. In the process of doing it, employees wouldn't have a clue as to what's going on—they never do in these matters—and I would have the full utilization of all those funds as they accumulated. That would be beautiful.

Mr. Bentley: We will certainly have a very good look at this. All of our regulations across Canada—it will mean I'll have to go again to the other jurisdictions to obtain their permission because we have exactly the same regulations with respect to investing, both in the federal government and in the other provinces.

Mr. Chairman: Any further questions?

Mr. Renwick: Mr. Chairman, I notice we are being asked to vote \$341,300 and that's fine; I'm not asking questions about that. I notice the revenue is estimated at about \$300,000. Is there any particular correlation? Is it the intention of the pensions plans branch to operate on a break-even or is it just happenstance?

Mr. Bentley: We endeavour periodically to review the situation. We are, we believe, giving a service to employees and employers and we

do require certain reports, certain information to be filed with us on an annual basis. Because we have to look at these situations, we do require a filing fee. The filing fee, in accordance with Mr. Neale's calculations, has been made in a manner which will give us a revenue and expenditure as close together as we can bring them. It has been a conscious effort.

Mr. Renwick: I think it is quite remarkable, actually, and I think when this particular vote is near its end we can ask the minister or his specific advisers the financial questions. I think it is quite remarkable that a group with your responsibilities should end with a projected net cost to the province of only about \$40,000-odd.

Hon. Mr. Handleman: I think if you examined a lot of the activities of the ministry, in many cases they are self-supporting, so far as their costs are concerned—

Mr. Renwick: Yes.

Hon. Mr. Handleman: —by the levying of fees, licences, registration fees, etc.

Mr. J. K. Young (Deputy Minister): I might add that these expenditures do not include overhead and that is a considerable cost as well. It isn't 80 per cent or whatever that is; it is something much less than that.

Mr. Renwick: I recognize that this is a straight cash flow amount.

Mr. Chairman: Does item 2 carry? Item 2 carried.

Mr. Renwick: May I say it's been a most interesting discussion. I'd like to pay a tribute to Susan Kamp of our research office who is responsible for our interest in it and for following up on some of the things; and to express to Mr. Bentley what she has said to me on a number of occasions—she always gets the utmost co-operation from you whenever she calls to ask for some information and so on. We appreciate that very much.

Mr. Bentley: Thank you very much.

Mr. Chairman: On item 3, financial institutions.

Hon. Mr. Handleman: Mr. Thompson, will you bring your group up? I think if you look at your pink sheet you are going to see the office of the superintendent of insurance has been described as being vacant. Of course, it is very recently that Mr. Thompson was officially appointed to this position.

Mr. Lawlor: And a good appointment, too.

Hon. Mr. Handleman: Thank you very much, it didn't take much coaxing.

Mr. Lawlor: The order in council was passed both for the office of superintendent of insurance and the registrar of loan and trust corporations.

Hon. Mr. Handleman: Yes, he wears two hats.

Mr. Renwick: Mr. Chairman, I wouldn't want Mr. Thompson to be under any illusion he is going to be out of here at 10:30.

First of all, I know I speak for my colleague the member for Lakeshore, that we would like to express our regret at the sudden death of Gordon Grundy. In the case of Mr. Lawlor and myself it is a little bit more than simply expressing regret at the death of a dedicated public servant. In the latter part of his lifetime, he devoted all his time to the public service, but because Mr. Lawlor and myself had the privilege of getting to know him reasonably well during the course of the deliberations of the select committee on company law, where we were dealing with the trust company field, we were closely associated with him as we were with other members of his staff, in the report which will be tabled in the next week. But I know we would like to express our sense of loss and I am sure the sense of loss the ministry felt in his sudden and untimely death.

Hon. Mr. Handleman: Thank you very much.

Mr. Renwick: Where would you like to start, at the motor vehicle accident fund?

Hon. Mr. Handleman: That's a separate item.

Mr. F. Young: Mr. Chairman, under financial institutions, I have heard some of my friends lately complaining about the insurance industry and the way in which many of the larger insurance companies are cancelling their agency contracts with the smaller agencies. The smaller agencies are being pushed out of business and being acquired by perhaps larger agencies. The contract has to be rewritten and reinvestigated at some considerable cost, driving up the cost of insurance a bit this way. So the bigger brokers are now getting the business. This seems to be a deliberate policy of some of the larger companies like the ones that were mentioned to me—General Accident, Travelers, Canadian Indemnity and Home, to name a few which have been deliberately cutting back on their contracts to the smaller agencies and deliberately fostering a concentration of business among bigger and bigger houses. It is worrying a lot of the smaller people in the

insurance industry. I wonder if a comment might be made on this.

Mr. M. A. Thompson (Superintendent of Insurance): I am sorry I really can't say too much on that because we haven't heard much of that practice going on. Unquestionably there was some dislocation in the market, which did have some effect on the smaller agencies, and that was due to the withdrawal of some seven companies from Canada. That did cause some dislocation and some problem, but I have not heard of—

Mr. F. Young: Why did the companies withdraw from Canada? What was the reason behind this? This was part of the total.

Mr. Thompson: I think, basically, inflation has a unique effect on insurance companies, probably a twofold effect. Costs go up; costs of repairs go up. But with the market condition going down and the statutory test being required to maintain 125 per cent in certain qualified assets over their liabilities—liabilities being mainly their contracts—these companies were required to do one of three things: To put up substantially more capital to carry on the business they had, or to reduce their writings or to withdraw.

The companies in question were foreign companies. In that case, they were having difficulty attracting capital in their own countries, so they elected to withdraw. I don't think this had any substantial effect in southern Ontario, but certainly in northern Ontario it did have some effect—where the smaller agent would only have three or four companies that he represented.

Mr. F. Young: But in addition to those companies, some of those still doing business in a big way seem to be cutting out their business to the smaller agencies. I think their argument in some cases is the poor loss ratios—the loss ratios are a little too high, because these smaller people are writing. Of course, they themselves are writing ultimately—giving the business—but these are only agents who are collecting for them. So it's not their fault per se.

Mr. Thompson: Well, now we may be getting to something. I know that certainly the whole industry had some very disastrous losses this year. As I said, some companies went out of business and I think, unquestionably, some of the smaller, unprofitable agencies have gone that way. Companies were searching for ways to operate more efficiently, more economically.

I'll tell you what we were doing in the

cases of any complaint we had in connection with an agency. We haven't done this in the last few weeks, but certainly in January and February there were a number. We would look at the agent's loss performance over the years—not basically the last year, because last year it was a bad year for everybody—but we would look at it on the basis of five years. We would look at the agent, and see how he was running his business. Because we do inspect them and examine them. If he was substantially a good agent, we would go to the insurance company and ask them why they were withdrawing on it. In some cases we were able to persuade them to stay on with it.

It's a difficult situation, but I think it is something that you really have to look at the individual agent and then go to the company and deal with a particular case on its merits. We're quite prepared to do that for any agent who's experiencing any difficulties.

Mr. F. Young: So if an agent feels that he is unjustly dealt with by the larger company, he should get in touch with your department and say, "We want this thing looked at."

Hon. Mr. Handleman: Very definitely. A relatively few number of cases have come to my attention. Mr. Thompson has looked into them on my behalf and in some cases the agent's complaint was not well-founded, but in other cases they were. Are you talking primarily of general agents, auto insurance?

Mr. F. Young: General insurance.

Hon. Mr. Handleman: Not life?

Mr. F. Young: No, not life.

Hon. Mr. Handleman: I think I've seen a half a dozen non-life agents. I've been there four or five months now, and I've seen a half a dozen complaints of that nature; some of them were justified and some of them weren't.

Mr. F. Young: Well, I talked to one sort of medium-size company. The owner said he had acquired five of the smaller people—he had lost two or three of his own—and he was very disturbed about the whole trend that was going on. Sure, he said he acquired the companies at pretty low price because they were both facing bankruptcy, but he also was losing some of his own assets. He felt that the thing was uncertain and he said there was a great deal of unrest among the smaller agencies and they were afraid of what was going to happen. As a matter of fact they're looking to some extent at what's happening in the service station operation among the oil companies and won-

dering to what extent the insurance industry is going toward self-service, perhaps.

Mr. Thompson: More integration, you mean.

Mr. F. Young: Yes, direct sale and cutting out the agencies, and really taking the whole thing over themselves—and eventually over the distant future, perhaps, doing what the oil companies are obviously doing.

Mr. Thompson: Back about six or seven weeks ago I would think now, I did have occasion to speak with the insurers and I also met with the agents in connection with the problems that were arising out of dislocation in market. I think some insurers perhaps got a little panicky and maybe acted a little bit too abruptly. But that situation seems to have settled down now. Undoubtedly, some of the agencies were hurt; and of course some of the companies were too. But I think it's fairly stable right at this moment in time, and hopefully there seems to be a new era of confidence.

Mr. F. Young: So our answer is get in touch with the ministry and they'll handle all our problems.

Mr. Thompson: We'll be very happy to, sir.

Hon. Mr. Handleman: We'll look into each case.

Mr. Thompson: We'll try.

Mr. F. Young: Thanks very much.

Mr. Chairman: Mr. Renwick?

Mr. Renwick: Mr. Chairman, perhaps in the few moments which remain, before we move on to others, and simply because it's the first item in the chart, I gather this—which is noted as item 3, financial institutions—comprehends the whole of what's called the insurance division in the ministry chart. Am I correct about that?

Mr. J. K. Young: Yes, the loan and trust fund. Loan and trust companies as well.

Mr. Renwick: This lists insurance division, motor vehicle accident claims, insurance, loan and trust, cemeteries and credit unions, is that—

Hon. Mr. Handleman: Under the financial institutions they administer a number of Acts; the Cemeteries Act, the Credit Unions Act, Guaranteed Companies Securities Act. The Insurance Act is a major one; investment contracts, loan and trust corporations, marine insurance, Motor Vehicle Accidents Claims Act, Ontario Deposit Insurance Act, and the Prepaid Hospital and Medical Services Act. These

all come under the financial institutions activity.

Mr. Renwick: Right, but when I'm looking at the ministry's chart, it's not headed financial institutions. It's called insurance division and that's the same thing we're talking about here; is that correct? So that motor vehicle accident claims would be an appropriate—

Hon. Mr. Handleman: It's a separate vote. It's shown on the chart as being a separate vote although it is administered by the financial institutions.

Mr. Renwick: I see.

Hon. Mr. Handleman: Everything else is under this vote.

Mr. Renwick: Let me ask the obvious questions: Will you bring me up to date on the names of the persons who hold the offices? I do understand that Murray Thompson is, of course, the Superintendent of Insurance and he's also the registrar of loan and trust corporations.

Mr. Thompson: That's correct.

Hon. Mr. Handleman: Right.

Mr. Renwick: Who is now the deputy?

Mr. Thompson: We haven't one at this moment in time but I have with me Mr. Lear Wood, who is our research actuary, and Mr. Bob Brewerton.

Mr. Renwick: Yes, I know Bob.

Mr. Thompson: He is the chief examiner. Mr. McAlister and Mr. McCoy are here from the cemeteries branch, and Mr. Jaffray from the credit unions branch.

Mr. Renwick: Do you also have a responsibility for the motor vehicle accident claims fund?

Mr. Thompson: Yes, that's correct.

Mr. Renwick: That falls within your overall supervision?

Mr. Thompson: Mr. Gilchrist is also here for the next vote.

Mr. Renwick: But that falls within your overall supervision, is that correct?

Mr. Thompson: Yes, sir.

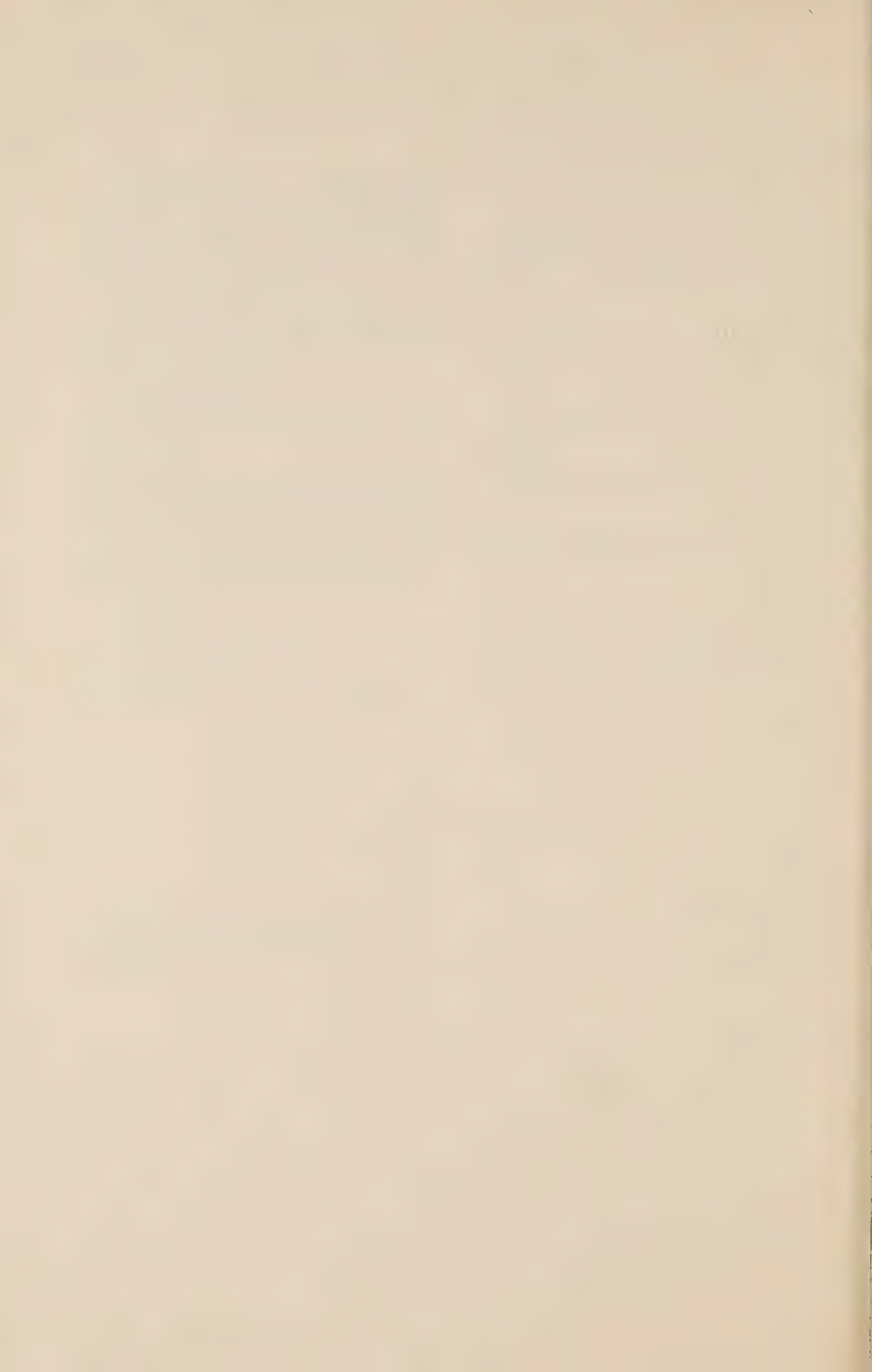
Mr. Renwick: Well it's 10:30 o'clock.

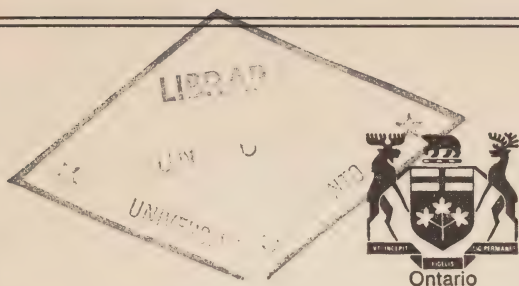
The committee adjourned at 10:30 o'clock, p.m.

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Ontario. Legislative Assembly

Legislature of Ontario Debates

ESTIMATES, MINISTRY OF CONSUMER AND COMMERCIAL RELATIONS

Standing Administration of Justice Committee

Chairman: Mr. D. W. Ewen

OFFICIAL REPORT — DAILY EDITION

Fifth Session of the Twenty-Ninth Legislature

Friday, June 6, 1975

Speaker: Honourable Russell Daniel Rowe

Clerk: Roderick Lewis, QC

THE QUEEN'S PRINTER
PARLIAMENT BUILDINGS, TORONTO
1975



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Daily index of proceedings appears at the back of this issue. Reference to a cumulative index of previous issues can be obtained by calling the Hansard Reporting Service indexing staff (Phone: 965-2159).

LEGISLATIVE ASSEMBLY OF ONTARIO

FRIDAY, JUNE 6, 1975

The committee met at 11:10 o'clock a.m.

ESTIMATES, MINISTRY OF CONSUMER AND COMMERCIAL RELATIONS (continued)

On vote 1302:

Mr. Chairman: Are there any questions or comments on item 3? Mr. Renwick.

Mr. J. A. Renwick (Riverdale): Mr. Chairman, it is a little difficult to know where to start because it covers such a substantial and important field and we only have a limited amount of time.

I am not going to deal at all with the question of loan and trust corporations because the report of the select committee, which my colleague, the member for Lakeshore (Mr. Lawlor) and I sit on, will be tabled in the next little while in the Legislature. In any event, the now registrar of loan and trust corporations and his advisers sat through a good portion of these hearings and are well aware of the areas that were of concern and of interest in that field.

We haven't as yet had an opportunity in that select committee to make a study of the insurance companies. I assume, if that select committee is reappointed after the next election, that probably will be the field that the committee will devote its attention to. Of course, whether or not my colleague and I are on it depends on the vagaries of the election.

Perhaps because of the opening remarks I made about this question of the Retail Credit Co. I could deal with my concern as it relates to the insurance industry. I am going to state my concerns not so much from the point of view demanding or requiring a response from the superintendent of insurance about it but to draw to his attention the concerns as I see them and suggest to him that perhaps it merits an investigation and concern by the superintendent of insurance because of the connection between the Retail Credit Co. and the insurance industry.

In order to clarify any misunderstanding I may have created yesterday in not clearly identifying that company, I want to quote some sections of that same article; and as soon as

I have finished quoting them, I would like to provide the article to the ministry because it is extremely informative.

It opens with the statement I made yesterday and then proceeds to state—and I want to make these distinctions so that we are very clear about it: “The agencies that specialize in collecting information on consumers are of two kinds—credit bureaus and consumer investigation agencies.” I am not interested in the credit bureau operation, the so-called ledger information-collecting operation. That is not the part which is of concern to me. I am very much concerned about the second kind of operation and the second kind of company, which is the consumer investigation agency which sells an essentially different service from that of the credit bureaus. The article says:

That service which they sell is the compilation and dissemination of reports on applicants for various kinds of insurance and the claims arising out of such insurance. It also reports on applicants for employment with private companies and some home mortgages and apartment leases.

The reports involve the verification of routine information that has already been supplied by citizens in response to questionnaires included in application forms for insurance, for employment, for mortgages or apartment leases. But many of the reports do more than verify applicants' answers to questionnaires. They purport to describe, among other things, the character, the reputation, the general style of life and work, the medical condition, the housekeeping habits, the drinking habits and even the sexual habits of the people involved.

That is the type of report to which I refer. I have already referred to the passage in the US of the Fair Credit Reporting Act, which is substantially the same as our Consumer Reporting Act. The article goes on, somewhat further on:

Of the complaints that members of Congress continue to receive from citizens about the practice of the credit reporting industry, the most serious in terms of the civil rights of the individual seem to concern the preparation, content and use of reports that consumer investigation agencies make on a citizen's character and reputation.

Most of these reports are triggered by applications for insurance. In this country [that is, the United States] there are relatively few citizens who do not require insurance, whether it is life, homeowner's, automobile or some other kind. About \$2 trillion worth of life insurance alone is currently in force and the life insurance premiums being paid annually exceed \$28 billion.

In some important respects, applying for insurance is no mere voluntary act of prudence on the part of the ordinary citizen, but a legal requirement imposed on him. For example, in a number of states he cannot obtain car registration without having taken out automobile liability insurance, nor can he maintain a standard mortgage on a home unless he possesses a homeowner's policy and keeps it in good standing.

To the extent that taking out insurance is unavoidable for the citizen in this society, the insurance industry tends to be a seller's market and the buyer to be in a dependent relationship to that market as a whole.

It appears that the work done by consumer investigation agencies which have evolved to serve the insurance industry as a major customer, tends to reflect that relationship. And it tends to reflect it in ways and according to standards that the consumer finds difficult to understand, for the consumer investigation business is an industry about which most people know very little.

To begin with, the citizen is unlikely to be aware of the extent to which the consumer investigation industry is dominated by one large corporation. That corporation is the Retail Credit Co., comprising 10 companies and four divisions specializing in collecting and dispensing various types of "business information," whose headquarters are in Atlanta, Ga. The total revenues of Retail Credit, in 1974 were \$216 million.

The arm of the company concerned with consumer investigations operates throughout the United States and in Canada, Mexico and the Caribbean, maintains 1,300 branch offices around this country and employs 5,000 field investigators. It maintains files on 48 million citizens. Of these files, more than half represent consumer investigation reports, the rest being the more specialized reports having to do with property and information of public record.

The article then goes on to deal with the reporter's interviews and discussions which he had with former investigators for Retail Credit Co., persons who had run into problems because of being refused insurance and so on

and so forth, all of which are quite interesting and make very fascinating reading. But toward the end of the article it goes on to make this statement.

It seems to me [the reporter] that many of the questions raised about the consumer investigation business inevitably point to the policies and practices not only of a large organization such as the Retail Credit Co., but also of its corporate customers, and in particular of the insurance companies that employ the services of the consumer investigation agencies.

One reason that nearly all the big insurance companies have been using reporting agencies like Retail Credit through the years is not the company's own inability to estimate the reliability of applicants for insurance through direct contact with them but a reluctance to interfere with the prerogatives of the insurance agents representing the companies. Most insurance agents are independent contractors and particular insurance companies try to cater to their wants pretty much as particular airlines try to cater to the wants of independent travel agents.

The insurance agent gets his living from his commissions on the sale of policies to consumers and because of this, his interests tend to diverge from those of the insurance company. If an insurance agent reports to an insurance company that a customer he has been selling an insurance policy to looks like a poor risk, the agent is likely to lose his sale. The insurance agent then tends to look favourably on his customer's insurability. He has a proprietary interest in him as a long-term customer and hopes to sell him ever more insurance and derive more commissions therefrom as the years go by.

In effect, the first risk that the insurance companies consider is not the customer himself but the insurance agent. [It goes on further to talk about various types of adverse information.]

Sales pitches or no sales pitches however, the standards for personal character and reputation have not been established primarily by Retail Credit and other such agencies. Basically, they have been established over many decades by the insurance industry itself, and on the whole it is the insurance companies that originated and have kept up the demand for the collection of such information on consumers.

One investigator for Retail Credit told me not long ago "I think that if we didn't report moral risk information, most of the insurance companies who are our clients

would stop using the Retail Credit investigation service."

It seems almost impossible to consider the social problems created by the consumer investigation industry without being directed toward the standards of the insurance underwriters. These standards, to hear people in the insurance industry talk, exist entirely for actuarial reasons. They point to the enormous complexity of making their calculations and at the same time competing vigorously for the business of the consumer in a system of free enterprise and free choice.

When one discusses the standards of the industry with people in the insurance business, it is brought home to one that there is a sort of underwriter's mystique, that plays a concealed but vital role in the industry, that underwriting is a specialized profession involving not only complicated mathematical interpretations of the laws of probability, but also certain uncanny intuitions and subtle yet firmly realistic grasp of the constancy and vagaries of human nature. Within the insurance industry, there are indeed a number of highly intelligent and even brilliant people with a formidable theoretical and practical grasp of the application of the laws of probability, and perhaps this fact has contributed to the widespread assumption, certainly not discouraged by the industry, that the underwriting profession is an arcane science and art, whose intricacies are beyond the comprehension of most laymen.

As far as I am concerned however, the existence of this assumption tends to make the underwriting profession subject to a larger and far simpler actuarial reality. Namely, that once a profession develops such a strong mystique that its practices are considered to be beyond the comprehension of ordinary mortals, it is almost a certainty that something is going drastically wrong within that profession.

The plain fact seems to be the standards according to which the so-called moral risks or vagaries of life style or living arrangements are reported by such organizations as Retail Credit have their basis less in legitimate actuarial considerations than in strong social prejudices held within the insurance underwriting profession.

It goes on at some considerable length and I'm not going to quote any further from the article. I want to make it available because: (a) I think it's a brilliant article; (b) I think it says much better than I could possibly have dreamt of saying it, my concern and why I

raise it in the context of the vote with respect to the superintendent of insurance.

The article deals with the kind of manuals that are used; the kind of pressures which are put on the retail credit persons to obtain the reports; the pressures always to produce some adverse report; the pressures to produce quotas which are unreachable. I am suggesting to the minister and to the superintendent of insurance that because it is a single operation there is no reason to believe that Retail Credit, except in marginal ways, may be different in Canada than it is in the United States. The relationship of that industry to the insurance industry and the proposition put forward in that article that the insurance industry has created this problem, would lead me to believe that it would be most important that you review all of the application forms of the insurance companies and their questionnaires, all of the responses they get and what further requests are then made to Retail Credit in order to double-check around the circuit as to the nature of the underwriting risk which is being undertaken, and also for purposes of ascertaining such simple things as whether or not there are any breeches of the Ontario Human Rights Code in any of the questionnaires which are used. To ascertain, for example: Whether or not, in fact, there is disguised in the procedure some question as to the race, colour, religion or background of persons; whether or not the economic status in life of persons has some effect on the decisions which are made, with respect not only to life insurance but to all the kinds of insurance that people have to get.

I am not suggesting that by way of criticism, or needing a response from the ministry. I would hope that you would seriously consider the content of what I have tried to say by the use of this article, and by my reference earlier to the case which is now between the federal trade commission in the United States and Retail Credit, about the whole implications of where this business of this kind of investigative reporting had its origin; its immense growth; the dominance of one company on it; and the potential possibility that without any citizen knowing about it, he can and is adversely affected.

This article also makes the very simple statement that this kind of investigative reporting, that the correction of it, must not come just because of individual complaints. Persons like yourself, with responsibility for the supervision of the insurance business, I think have now a responsibility to look at the whole investigative reporting field in the light of our Consumer Reporting Act; in the light of our

Business Practices Act; in the light of the questions of fraud and misrepresentation which may take place; and in light of the provisions of our law with respect to the Ontario Human Rights Code and the question of non-discrimination in those fields.

Having said that, I will now conclude.

Hon. S. B. Handleman (Minister of Consumer and Commercial Relations): Mr. Chairman, I don't want to let go unchallenged the basic assumption the member for Riverdale made right at the beginning of his comments, and that is that our consumer reporting legislation is substantially the same as that which governs in the United States. Of course I am not familiar with US legislation, but some of the comments made in the article simply would not apply and some of the comments made by the hon. member wouldn't apply. For example, one of the prohibitions in the Act is that a consumer reporting agency "shall not include in a consumer report information as to race, creed, colour, sex, ancestry, ethnic origin or political affiliation."

Mr. Renwick: I recognize that. That article doesn't necessarily deal with that.

Hon. Mr. Handleman: No, you mentioned that.

Mr. Renwick: I mentioned that because what I want to know is, are they conforming?

Hon. Mr. Handleman: What we are saying here is that the Act prohibits it. We do have a registration feature in our Act which does not apply in the United States. Therefore, the sanctions which can be applied under our Act are quite a bit stricter.

Mr. Renwick: I recognize that.

Hon. Mr. Handleman: Also, the fact that in Canada the consumer who is reported upon is notified of the fact that he is being reported upon. He has the option of seeing not just the report but the file which is used as the background material for the report, so that no written comments can be made to which he does not have access. He has the right, of course, to exercise his statutory rights under other laws to sue for libel, slander or any other item which he feels he's been offended by. So I have to challenge the basic assumption that our Act is substantially the same as that in the United States.

Certainly some of the questions you asked concerning the function of the superintendent of insurance in examining application forms and whether or not they meet the criteria, I think are quite valid, and I will let Mr.

Thompson respond to whatever the practices are within his division in that respect. I just want to make it clear that we think we have gone far beyond the United States legislation and that our protections are much greater to the consumer against misuse of information, or even an attempt to gather any information which the Act would prohibit. There was something said in the article which implied that if Retail Credit Co. could not use these methods it would go out of business. We feel they cannot use these methods in Canada, and I think you're quite right to ask if they are using them. Perhaps that's something that Mr. Simone can answer when that item comes up. I just wanted to comment on that aspect of your remarks. Now Mr. Thompson can respond to the function of the division in this respect.

Mr. Renwick: May I just respond? I didn't want to engage in a confrontation. I know that our laws are different, but not in the substance, because the origin of our law was the Fair Credit Reporting Act in the United States. It was adapted and changed. The substance of it is the same. I am quite certain there are anti-discrimination laws in the United States of America which would prohibit Retail Credit Co. from using matters related to race discrimination.

What I am saying is that, first of all, there was the inability to persuade the ministry when the bill was being passed that this investigative reporting problem required immense study. I am now trying to go at it another way and say, look, this appears to be the case. If Retail Credit comes out scot-free and clean as a whistle, fine. All I'm saying is, I have an immense concern about the business practices and the ethics that have developed over the years with respect to that kind of investigation.

My guess is that there isn't anybody in the room who is not aware, from time to time, either that he has been the subject of questions or that he has been the person who has been questioned about his next-door neighbour, and does his next-door neighbour drink occasionally, moderately and all those kinds of things. I'm quite sure all of us have inadvertently answered all of that kind of questioning. I know that I have. I haven't latterly, I suppose, because I haven't run into it. But it was rife for a long time, and one must question the quality of the investigator, the nature of their hiring practices, the scope and burden of the workload that they're required to make, whether or not there is a quota system for adverse comments, and whether or not there

are subterranean, unconscious prejudices involved in it.

Do the underwriters really need this kind of information, when you consider the vast amount of insurance that is written and the beginning-to-be-dominant prevalence of group insurance, where no such investigations are made? Certainly there may always be a need for a person who asks for an exorbitant insurance policy on his life to subject himself to this, but that's the case now anyway. All I'm saying is that I think the points raised and the concerns which we've expressed about this aspect of the bill deserve a continuing study.

I really wasn't asking for a contradiction. I have looked at both the Acts, particularly the summary of the one. Again, I'll make those documents available simply because it may be a convenient way for you to have them, and to say that I think it merits the attention of the superintendent of insurance. I don't want to go on if others have questions to raise, but I have other questions.

Hon. Mr. Handleman: Mr. Renwick, I think Mr. Thompson might want to respond as to the function and procedures of his division with regard to application forms. I don't know the full detail and I would like to hear for myself too.

Mr. M. A. Thompson (Superintendent of Insurance): With the introduction of the Consumer Reporting Act, we did ensure that all insurers added to their application forms the cautionary statement so that potential customers would be informed of their rights. That raised some questions with people saying: "Why do they want a credit report on me?" We certainly have not made any exhaustive survey, but the indication we have is that the use of it is dropping very greatly. It has caused a lot of questions and probably rightly so, as to say why they would want this type of information, particularly in the automobile field and other related lines.

Insurance companies definitely have been users, still are and probably always will be users of credit reporting, and probably more so in the life insurance field. One of the reasons and I think our experience is a little different than that in the United States, so that the agents in the life field are tied to their particular companies so they're in a much closer contact with them. Definitely it is used, but more on the special risk situation. If they see an application for insurance for \$500,000 from a man who's making \$5,000 a year, they're going to have concern as to why he wants the insurance.

Mr. Renwick: I agree, but most people don't do that.

Mr. Thompson: I think, one thing that's contributing to the dropping of the use of it, is the cost. Some companies have a figure of, say \$50,000. On all applications in excess of \$50,000 for individual contracts of insurance, they would like to have a credit report on the man. In fact they want to see if he can afford to pay the premium or why he wants the coverage or anything else they can learn about him, because there's no point in putting the business on the books if he has been oversold. It is a check on the agent, so there is some validity in that statement.

Mr. Renwick: I think perhaps you would agree that those should be the exceptions rather than the rule. If there is an extraordinary request for insurance, then the person making the request, if he really wants it, can be told this is going to require an exhaustive investigation of his background and the price he would have to pay in order to get that is so much. I think that's true of people upwardly mobile on the executive ladder. When they get further and further to the top, one of the prices they have to pay for the expectation of excessive or substantially higher remuneration than other people in the community is to be certain that somebody's going to check out a great deal about that person and his life and all his relationships. Those are the exceptions really.

Mr. Thompson: Yes. To my knowledge, and I usually see all the complaints, very seldom do we have a complaint. The introduction of this Act certainly made people aware of it. I recall about a year and half ago we did have a complaint on methods used. We found in that case it wasn't a credit reporting bureau but a private investigation firm. They were licensed under the Private Investigators and Security Guards Act of Ontario. We reported the matter to them, and disciplinary action was taken in that case. I think that in any case where it did come to our attention, we certainly would refer it to the appropriate authority.

Mr. Renwick: May I just make one further reference to it? I took the trouble of sending a copy of that article to Prof. Jacob Ziegel and Prof. Michael Trebilcock of the Osgoode Hall law school at York University and the University of Toronto law school. Prof. Ziegel wrote back to me to say:

One of my consumer law students wrote a lengthy term paper last year on investigative reports and the impact of the new

legislation. A slightly edited version of her paper is on file in the law school library [and so on].

Many of the insurance industry representatives she interviewed claimed that investigative reports played a very small part in a decision of whether or not to grant the application for a benefit. Whether these disavowals are simply self-serving, I do not know.

And he made some further comments.

I asked Susan Kamp, who is in our research office and to whom I referred yesterday regarding the pension item, to go out and have a look at that study by the student at York University. She reported that this was an investigative credit reporting paper by Lynda Lamb entitled, "The Functions and Use of Personal Investigative Reports," and presumably is in the law library at the Osgoode Hall law school. The memo to me from Susan Kamp says:

It seems impossible, but the paper states that 2.8 million reports per year are prepared by Retail Credit Co. of Canada. There is only one other company of consequence that does investigative reports in Canada, and that is the Hooper Holmes Bureau.

In Canada, insurance companies are the major users of investigative reporting agencies; these reports are used both for underwriting and settling claims. Sometimes employers will use these agencies as well, but their business is marginal to the agencies compared to the insurance companies.

In contrast to the New Yorker article, Lamb looks at the investigative reporting agency through the eyes of the companies who make use of them. In many instances, the contents of the reports are at the request of the user. He will require different sorts of reports, depending on what type of case he is working on. Over time, the reporting agencies have developed a number of standard reports and many companies find these adequate for their purposes.

Most companies stated that they do not rely very heavily on these reports. They are used to verify information already available, rather than sources of information. Personally, I [Susan Kamp] find this hard to believe. [Perhaps she shares a degree of my scepticism about it.] The heavy usage of these agencies suggests more than the occasional verification.

The current Ontario legislation guarantees that a consumer will be informed of the existence of reports; sets partial controls on

the kinds of information which can be reported; maintains certain minimum standards which consumer reporting agencies must observe in reporting information; partially limits the purposes for which the reports can be used; guarantees a limited right of access to a consumer to new information about him; and provides a method by which the reports can be corrected if inaccurate information is reported.

The legislation is very much like the US. It only goes part way toward providing the customer with the kind of protection he or she should have. There isn't enough disclosure of contents of the report to the individual. There isn't enough scrutinization of the information itself once it is produced. There isn't enough control in the way the information is collected or the type of information which the report can contain, etc.

Further legislation is needed to ensure that reports contain only that information which is absolutely necessary to the specific, legitimate purpose for which it is to be used by an authorized user and so safeguard the privacy of the individual. Once we have this, then of course an effort must be made to enforce the legislation.

That was a very brief summary of the Lynda Lamb study, and perhaps that would be useful if on reflection you consider what I've said is worth pursuing and following up.

Mr. Chairman: Shall item 3 carry?

Mr. Renwick: No; I've got some other matters, although I don't want to pre-empt the time if there are other members that have questions this morning.

Mr. R. F. Ruston (Essex-Kent): Mr. Chairman.

Mr. Chairman: Mr. Ruston.

Mr. Ruston: Loan and trust and credit unions are all involved in this one vote, I take it.

Hon. Mr. Handleman: Yes, they are.

Mr. Ruston: I don't know if the minister had any comment in his opening statement, I wasn't here at the time, but I was wondering if he could briefly say anything with regard to deposit insurance in connection with credit unions? Is there anything new on that; or what route are you taking?

I think there was a deposit insurance plan in the province started about 1966, which is now just sitting there. I think it was mentioned

in the last audit report; but that was one of the commissions that was sitting without any activity. What route are you taking in that area now?

Hon. Mr. Handleman: It is also one of the organizations sitting not costing the taxpayers anything, it's a shell. It was, as most members recall, brought in after the Prudential disaster in order to provide protection for depositors against anything similar happening.

At the same time, the Canada Deposit Insurance Corp. was formed and there was a national insurance scheme; there was no need for the province to get into it. It has simply remained on the statute books. I suppose it could be removed, but it is the useful shell to have in the event we should have to go to a provincial scheme.

I did explain at the outset—and the member for Perth (Mr. Edighoffer) asked me about this—what we are doing. We have met with the credit unions, and at their request and the request of their representatives in the Credit Union League and the Federation Caisse Populaire, we have approached Ottawa and Mr. Turner has responded, saying that he's willing to discuss it.

We are now arranging meetings between our people, the federal people, the credit union representatives, and the Canada Deposit Insurance Corp. to see what the terms of entry into the federal scheme are.

My view is that rather than have a provincial scheme, which would not be all inclusive—and it cannot be, because we cannot force certain people in voluntary organizations or independent credit unions which do not want to belong to either the league or the federation—we would make it optional for them to enter into the federal scheme; which is the way it is now, it is not mandatory.

Most of them want some form of deposit insurance. We recognize that. Their concern was that the provincial scheme might impose on them certain requirements.

I want to say frankly, here again, that I think the federal scheme will probably impose on them more onerous requirement than those we were proposing. But at least they would have the option of looking at the federal scheme and at what we have proposed and making a choice. That's where it stands now.

I believe we received the letter from Mr. Turner last week. We responded immediately and notified the league. I believe arrangements for the meetings are under way now. Mr. Thompson says that he met with the federal people on Wednesday to set up the meeting.

They have asked for the meeting to be held in late June or July. So we are moving on it.

Mr. Chairman: Anything further on item 3?

Mr. Renwick: Yes, Mr. Chairman, could I refer the minister and the superintendent of insurance to the minister's committee on insurance claims and the preliminary report, which I think is the only report? That is the one under the chairmanship of David I. McWilliams.

May I ask to what extent the 76 recommendations have been implemented? I ask not for the purpose of having you give me a seriatim report now—unless you happen to have it with you, which I would doubt—but would you make a note of it and send me an appendix indicating the extent to which those various 76 recommendations have either been implemented, discarded, partially implemented; or what your plans are for the purpose of implementing. It was obviously a major report to correct an immense number of irritants in the insurance industry.

Hon. Mr. Handleman: It dealt primarily with auto insurance?

Mr. Renwick: Yes, dealing with automobile insurance.

Hon. Mr. Handleman: Many of the recommendations—Mr. Thompson will be able to tell you—have been enacted. Others have been approved within the ministry and are proceeding as recommendations for future legislation. At the moment I know at least four or five of the recommendations are being actively pursued. Whether or not they will be brought in this session, I really can't say. I don't know whether there is a status report on the McWilliams report; is there, Mr. Thompson?

Mr. Thompson: Yes, sir, I think basically many of the recommendations were implemented under the claims agreement entered into and adopted by the automobile insurance industry, through the Insurance Bureau of Canada. That dealt with procedural changes with the view of speeding up claim settlements. This was done, I would think, some year ago; in any event it's had time to operate so we can see how it is operating. Those which couldn't be adopted by administrative procedures have formed the basis of a recommendation for legislation, which is proceeding along.

Mr. Renwick: Would it be possible perhaps to write me a brief summary at some point and bring me up to date on this?

Mr. Thompson: Yes, sir, I am sure we could.

Mr. Renwick: I don't mean in exhaustive detail, but I would like to know just how it is going, because it is often difficult to keep track of them, when many of the recommendations are going to be implemented through changes within the industry and others require legislative change that kind of thing. It is extremely difficult to keep track of what changes have been made.

Mr. Thompson: Some of the recommendations, I might add, pose some very difficult questions relating to the law of negligence. Those recommendations were to be dealt with by the Ministry of Attorney General. Some of them just can't be implemented. They are good recommendations, but other ways have to be found of getting to it. We certainly could let you know which of the recommendations we feel have been taken care of by administrative action; what has been referred to other appropriate officials and what we feel is necessary for legislative purposes.

Mr. Renwick: I am sure my colleague from Lakeshore and I would be very glad to have that.

I am turning now to another isolated matter but one of great significance. I had the misfortune to be consulted by a young man, 21 years of age, who was involved in an accident at an intersection in the city of Toronto in which two people were killed and two are maimed for life. He is being sued as a result of the accident. Of course, the lawyers for the insurance company would act only up to the limit of the policy and he had to be represented separately for the excess. He has good counsel, that's not a problem; he's got the best in the city. What it will negotiate out at is a different question.

I raise it because I didn't realize that young people, particularly males, who are considered on the basis of statistical information to be higher risks than other people when driving, were subjected to that restrictive limitation of \$50,000 on their liability insurance. You know as well as I do that most insurance companies or most people take out a \$1 million all-inclusive, but he was apparently limited in this particular policy to only \$50,000. I knew it would be better for him not to be able to get insurance and not drive than to be covered only for \$50,000 liability insurance in this day and age. Are there any rules of thumb that are used to impose such limitations?

Mr. Thompson: I just don't know—Mr. Dawson or Mr. Wood are aware of any limitations—unless the man is a high-risk driver.

Mr. Renwick: He wasn't. He had no previous record at all. As a matter of fact, his life will probably be ruined by this.

Mr. Thompson: The minimum limit is \$50,000. You can't sell it below that amount.

Mr. Renwick: The information which I assume to be correct, and I can double-check it to make certain, is that that was the limit they would sell him on that policy. In this day and age that is not of great consequence.

Mr. Thompson: We would certainly be very happy to inquire into that. We're really not aware of any underwriting practice that would recommend that.

Mr. Renwick: If I can do it, I will check into it and find out whether my information is entirely accurate that he was limited as to the extent of the liability insurance that he should get. I can recognize various categories for underwriting insurance purposes but I don't think that should be one of the criteria.

Mr. Ruston: I know, Mr. Chairman, that people under 25 years of age can get more than \$50,000 liability insurance. My own family did, so I know that they can obtain it. It is available. I certainly know that they do.

Mr. Chairman: Is there anything further on item 3?

Mr. Renwick: Yes, there is. Is this a fairly authoritative book, this little booklet?

Mr. Thompson: I think it's quite an improvement. It's coming along very nicely. It's starting to put facts out into the public area.

Mr. Renwick: It seems to be a little less self-serving than it was.

Mr. Thompson: Yes.

Mr. Renwick: I assume the superintendent and the minister would agree with this statement that appears in it, having regard to the state of the insurance laws in Ontario. It says:

The bureau does not set rates. The statistics division acts as the statistical agency appointed by several provinces and collects the raw materials which most companies use in arriving at automobile rates. However, IBC specifically avoids participation in rate-making of any kind.

I assume you would agree with that, that they have no connection with rate-making at all.

Hon. Mr. Handleman: They say they don't set rates, and I would agree with that.

Mr. Renwick: Would you agree with this further statement in this little booklet?

The annual release of statistical exhibits for all classes of insurance, the supervision by government authorities and the close competition between the many insurers operating in Canada, ensure that the fairest possible rates will be available to the buying public.

Would you say that that accurately reflected the situation? I'm not going to ask the superintendent, but the minister.

Hon. Mr. Handleman: As a matter of general principle and philosophy, yes, we would agree.

Mr. Renwick: My friend, the member for Perth can tell his colleague, the member for Downsview (Mr. Singer) that you're not intending to proclaim that unproclaimed section of the Insurance Act.

Hon. Mr. Handleman: I have no intention of proclaiming it.

Mr. Renwick: You will be delighted to know that there is such an ideological difference between the New Democratic Party and the Conservative Party that I'm not going to attempt to deal with the next field of automobile insurance and whether or not there should be a publicly operated scheme. I think if voters know anything about the New Democratic Party they would know that if the New Democratic Party is elected in Ontario there is likely to be a somewhat similar scheme as that in Manitoba, Saskatchewan and British Columbia.

Hon. Mr. Handleman: I think you've made that quite clear.

Mr. Renwick: Should anybody want to question me I have, of course, the statistical information here which will show the immensely great benefit to the public in this kind of scheme. I do believe there is a substantial ideological difference between ourselves and the Conservative government and the bureau which puts out this booklet.

Hon. Mr. Handleman: I think there is a third position, too, that the member for Perth should take. I don't think there are only two; we should make that clear.

Mr. Renwick: Only two of significance.

Mr. Ruston: That is a matter of opinion. I think what he wants to do is get the automobile insurance so he can get the public trough to pay for it. I don't think that is where it has to be; it has to be the responsibility of the drivers.

Hon. Mr. Handleman: Mr. Ruston, if I may get my licks in, one of the things that concerns me about the schemes in the provinces to the west of us is that I see the poor man who rides the bus has to subsidize the man who drives his Cadillac to work. I don't think that's fair and it can only happen under a subsidized public insurance scheme.

Mr. Renwick: I would call that a political lick, yes.

Mr. Chairman: Anything further on item 3? Shall 3 carry?

Mr. H. Edighoffer (Perth): No. Mr. Chairman, I received a letter from Mr. Thompson the other day regarding insurance premiums. I believe this was the case of a young chap who had a conviction. He did say in his letter that premiums of \$1,600 to \$2,300 are not uncommon and I wondered if he could give me some idea of how many contracts there might be under which people have to pay that price for premiums for car insurance.

Mr. Thompson: I wouldn't think there would be that many but that is the rate, I assume—I'm sorry I don't recall it—I assume it was probably what is called the Facility risk.

Mr. Edighoffer: This was the case—

Mr. Thompson: It is a high-risk category because of the conviction or convictions in question, if they were substantial, they are probably facing 100 per cent surcharge or something along this line. This is a fact; the Facility is a pool for the high risk. The Facility operates to ensure that there is a writer, at a price.

These rates are based on the actual statistics and experience and there is no margin in there for anything except the actual risk, if it's within the Facility. The Facility has never had a profit or paid its way. It's always in a deficit position and the industry, all companies of which must belong to the Facility to be licensed in Ontario, has to pick up its fair share of the risk. If there is a deficit, which there has been every year, the companies have to contribute in proportion to their contributions.

Mr. Edighoffer: For my own information, what would be the highest premium rate ever charged in the last year or two, for car insurance?

Mr. Thompson: I think I will turn that over to the experts.

Mr. L. Wood (Research Actuary, Office of the Superintendent of Insurance): I would say

that the \$1,600—you were mentioning the premium was \$1,600—must be very close to the maximum I have ever seen.

Mr. Edighoffer: This young chap checked with two companies and he got a price of \$1,600 from one and a price of \$2,300 from another.

Mr. Wood: Do you know the type of insurance coverage he was requesting? Was it collision with \$25 deductible or was it just liability and accident benefits? The range would be quite great depending on what he was asking for and the limits he was asking for. It could range quite widely.

Mr. Edighoffer: He wanted that \$300,000 PLPD and collision as well.

Mr. Wood: And he had convictions?

Mr. Edighoffer: He had one conviction.

Mr. Wood: An accident?

Mr. Edighoffer: Yes. So those rates up to \$2,300 are not uncommon?

Mr. Wood: I would say it is uncommon to go up that high.

Mr. Ruston: What the insurance industry is obligated to do is furnish insurance for anyone who has a licence. We discussed this in the estimates of Transportation and Communications the other day. They have to do with the licensing and when the person obtains a licence, it is the responsibility of the insurance companies and you people to see they have insurance available. What I have suggested on a number of occasions is that probably you are caught in between the two: If Transportation says he can have a licence, then it is the responsibility of the insurance companies.

I have spoken about this a number of times, and I think we perhaps should be dealing with the drivers and whether they should be driving. I have always thought that it should be a privilege, and not a right, to drive on a public highway. I don't think we should condemn a person; you shouldn't expect he is going to have an accident because he gets a licence.

In my opinion, anyone who is given a licence at 16 years of age should be given it on a probationary basis. If he has an accident-free driving record for a year, he would be given a driver's licence. If he had an accident, then of course he would lose the right to drive—if it is his fault, of course. I don't like the idea that because a person is 16 or 17 and just starting to drive, the insurance companies can charge him \$700 for insurance on the

assumption that he is a poor driver because of his age group.

I was involved in medical insurance, and I know that the people who used all the claims in medical insurance were the people over 50. The people who use all the claims in automobile insurance—or the big majority of them—are under 25. When I sold medical insurance I was out looking for everybody I could find between 18 and 30, because they never had any claims. That was the only thing that kept us going; otherwise, if we had all old people, we would have had to fold up. So, you see, young people are condemned as drivers, but they keep the old people going on the medical insurance. It's an interesting thing when you are involved in both areas, especially when there is a large number of drivers in a family—the fifth driver is starting in my family now. When the insurance companies come along and say that it is going to cost \$250 for a 16-year-old to drive the car to school only occasionally, you say to yourself that he must be a terrible driver if he has to pay that much, where I can drive and pay \$175 or something for the same coverage.

What I really want to stress and what I think we are going to have to look into, is the right of a person to drive and the fact that some of the people perhaps shouldn't be driving. I think that probably about two per cent of the people driving in Ontario shouldn't even be behind the wheel of a car. A car is much more dangerous, I would say, than that weapon the member for High Park showed off yesterday in the Legislature. Mr. Renwick also mentioned, I believe, a young chap coming to him about an accident where two were killed and two were maimed for life.

I disagree with the way the insurance companies charge for young drivers. I can certainly understand it. Of course, the driving ability of that person very likely will show up in the first year of his driving. In fact, in my own case, with five drivers in my family, the one who failed two tests and got it the third time was the only one to have an accident—touch wood—within the first six months of his driving. Thank goodness it was a very minor accident, and he learned something from it. You pay dearly in such situations; in the case I have just mentioned, only a \$200 claim was involved.

I really think we have to look at the two things together. If we consider who has a right to drive, then the insurance probably will take care of itself pretty well. If we have to licence a person who is a high risk and he is charged \$1,600 for insurance, I just wonder whether that person should be driving a car

if the insurance company thinks that he is that bad a driver. I know of one case in Michigan where a person had 32 convictions in seven years and still got his licence back. You can't prohibit anybody from getting into a car and driving without a licence, but there is no way that person should have been licensed, because in his last accident he killed five people—I don't know how many there were before that.

What we are really going to have to do, I think, is tie in the insurance with our regulations regarding driving.

Hon. Mr. Handleman: I'm pretty sure that the insurance companies that Mr. Edighoffer's young friend went to were trying to get that message through to him, that he probably would be better off not driving.

I think the situation we have here is one that stands in the way of compulsory insurance. I think most people accept that the principle of compulsory insurance in itself is not bad. But, of course, if you must have insurance, then it must be available.

At the present time, there is nothing that makes any insurance company supply insurance to a licensed driver. But if we make it compulsory, then they must. If they must, they must be able to provide it at a price which you would say would be reasonable; otherwise they would in fact be making it impossible to obtain—as they may have in this young man's case. The answer to be arrived at is: Who should be allowed to drive?

I think a system of compulsory insurance can be instituted provided those who license the drivers accept the responsibility of keeping the bad ones off the road. I don't know whether it's two per cent or one per cent—

Mr. Ruston: I might be wrong on that; it might only be one half of one per cent, or a quarter.

Hon. Mr. Handleman: I have no idea. It would be a tough decision to make, to say to somebody: "You may not drive." And for how long—for life? Are they a better risk if they've been out for a year? The man who has had a six-month suspension for being picked up for impaired driving, is he a better risk now that he's sobered up and he's got back in his car? The insurance companies have these figures, and I think Mr. Thompson has some statistics which indicate why these rates do range so high, from your \$175 to the \$1,600 of the young man.

Mr. Thompson: Last year we composed a table. It really indicates it's not the bad risks, it's the groups within the class. This was put in the superintendent's report last year to try

to illustrate some of this problem. It's more than just isolating the bad driver from various groups. The statistics support the fact that in certain age groups, particularly age 18 and under, the amount of claim per driver is far in excess of the class average. I'll ask Mr. Wood to illustrate this if he would please.

Mr. Wood: I think this table was introduced in response to questions in the estimates two years ago. Inquiries were made concerning the need for the range of rates applied to different classes. It was put in the report to indicate the reason.

For instance, in married males over 24, in the no-driving-to-work classification, the average claim per car insured, for third-party claims—that is the liability part—was \$56. The corresponding figure for unmarried males, ages 18 and under, was \$315. That's the good and the bad in that classification of under 18, all lumped together. That was just the liability part, and those were just the claims paid. All the premiums would have those claims, the expenses, and other things that are involved loaded on to them.

When you go over to the collision, we also listed the \$100 deductible collision claims average. In that primary group of no driving to work, married males over 24 and other people in that group, the average collision claim, paid out by the insurers was \$33, whereas for the ages 18 and under, it was \$204.

If you add those figures together, which would be the case with the kind of policy where he was buying both liability and collision—and I haven't even included the accident benefits in this—you find two claim figures: one of \$56 and \$33 for an \$89 claim; versus \$519. Without knowledge of the people you are going to recognize that one group is significantly different from the other—and that's put in to illustrate those differences.

As a matter of interest, the average for all classes, instead of \$56 was \$78 for the liability; instead of the \$33 for the collision it was only \$41. So it shows that the poor classes are a minority in the total. I think that table was put in largely to help explain the reasons why the difference.

Mr. Ruston: Yes, I recall discussing that a couple of years ago in the estimates with regard to the age of drivers. I just come back to the point that maybe we should be giving medical insurance free to the young people, because they pay so much for car insurance.

Mr. Chairman: Mr. Young.

Mr. F. Young (Yorkview): Mr. Chairman, the matter I want to raise might come under

item 3 or it might come under 4 or 6, but this may be a good place since we are into ratings at the present time and the rates of automobile insurance. One of the things that has been concerning everybody is this matter of an increase in automobile insurance rates. We have been asking for reasons for it. One of the hopes we had in recent years was that the increasing bumper standards and standards of safety in automobiles, as they come into effect, logically should reduce rates.

Certainly, the newer cars are much safer. With the 5-mph bumper standards front and rear, it means that not nearly as much damage is being done to the bumpers nor to other parts of the cars. The results should be that we would have lower insurance rates. Actually, the figures that emerged were something like this:

Insurance claims on 1972 and 1974 models of the same car, after the 5-mph rate was put into effect, show a frequency decrease of 25 per cent. The present bumper safety standard has reduced the replacement of front face bars by 37 per cent; rear face bars by 47 per cent; hoods by 35 per cent; quarter panels by 29 per cent; and fenders by 19 per cent. The reductions and replacements were all accompanied by significant reductions in repairs to these parts. Of course, these replacement parts might be reduced much more at the present time, except for the fact that the older cars with the lethal bumpers are still on the road in great numbers.

As these older cars are relegated to the scrap heap, we would hope that insurance rates would drop very markedly as repair parts drop because they are not needed. But something else is happening here. As this drop in costs of collisions took place, the motor car industry became greatly concerned and made representations to the Department of Transportation in Washington which had a hearing in February. I think the dates were Feb. 18 and 19. It was a fascinating hearing because what the DOT recommended at the insistence of the automobile industry was that the 5-mph crash safety be abandoned. They said that, because of the increased cost of putting the stronger bumpers on cars, which was shot down during those hearings. They proposed going back to the 1971 standards of 2½-mph which related to the old standards, which was no standard at all.

The interesting thing was that in those hearings the whole insurance industry in the United States lined up against the automobile industry for the first time in history. You had the industry which had to pay the bills for accidents lined up against the industry which

was profiting from the spare parts, the cracked parts in the accidents. Actually what happened was that the DOT's recommendation was beaten back. They retreated from that and the 5-mph standard was retained.

The new tack on the part of the automobile industry is that the new standard for 1977 be now postponed until the end of the decade—that is, the new standard relating to property damage and other safety factors, under which no damage would be done at all, not even to the bumper, at 5 mph. They are trying for that now. Further hearings have been held and that battle is still going on.

The significant thing to me is that as the hope increased, because of the frequency decrease of 25 per cent at least in the cost of the accidents because of the new protection, something else happened. The prices charged for crash parts up to 1971 had increased about three times as fast as those for regular automobiles, but the crash-part prices have increased rapidly since then. Last year alone, that is 1974, the index for crash parts soared from 152 to 200. In other words, it went up by a third in one year alone.

What happened was a very simple thing—as the demand for the crash parts dropped, and so we would hope that insurance rates could drop as the costs of the insurance companies dropped, the automobile industry itself jacked up the price of the spare parts to compensate for what should have been a saving to automobile users and could have been a saving to the insurance industry. Yet the automobile industry itself took up that slack in charging extra for the parts.

This emerged in those hearings as one of the callous and unprincipled actions of the industry, which already had brought those spare part prices away up and now increased them again last year to compensate by the extra third. There is no way that the motorists can escape that, if we allow this kind of unilateral pricing to take place. There is no competition in crash parts. Companies like Canadian Tire and others sell some parts of the motor car but not these parts that are affected mainly in automobile crashes.

Donald F. McHugh, vice-president of State Farm, made this statement in Washington:

The degree of freedom from competition which automobile manufacturers have achieved with respect to the production and sale of crash parts in a billion-dollar market is, we believe, virtually unmatched in American history. It creates a climate in which pricing aberrations can occur which are enormously costly.

Automobile manufacturers have created a unique system which has the result of effectively tying the sale of crash parts to the sale of the automobile. The manufacturers have left automobile owners no choice but to use the manufacturer's parts in repairing crash damage to their vehicles.

Then he went on to illustrate what was happening.

Now here, it seems to me, is one of the fundamental problems that we face, not only in the private automobile industry but in the part of it that we operate as the Province of Ontario when we charge the person who doesn't have private insurance the premium to cover his vehicle. No matter how we may improve the safety features or increase the ability of motor cars to withstand crashes—and the hope is that within a very few years automobiles will be safe at 10 miles per hour, not just five, and no damage done at that speed to any part of a car except in certain unavoidable situations like lateral crashes—and no matter what we do in saving money and potentially reducing insurance rates to the private sector and the public sector here in Ontario, the automobile industry is coming in to take up that slack and keeping the rates very, very high to everybody, not only in this province but across the continent.

I bring that forth today because it seems to me that there is something we have to cope with here. The Province of Ontario is where most of the spare parts are made for Canada and we have a national agreement here, of course, so the pricing is the same across the board. Pricing policies are, I suppose, really outlined south of the border, but our own industry says it has some control here.

We ought to be looking at this as a government and saying surely there is a way that as we potentially get rates down, the automobile industry itself can't step in and destroy the very advances we are making in this field. I wonder if the minister would care to comment on this matter, because I think it is a very serious situation and one in which we find ourselves, unless some definite action is taken, extremely helpless.

Hon. Mr. Handleman: First of all, it is my understanding that the auto pact applies only to original equipment and not to replacement parts, so the pricing on both sides of the border need not necessarily be the same.

Mr. F. Young: That's right.

Hon. Mr. Handleman: Before I accept the assumption that the rise in prices for replacement parts was due to an effort on the part of

the auto industry to compensate for the reduction of the use of those parts, I think I would want to do a little bit of research. There is an apparent assumption here that one led to the other.

Mr. F. Young: Might I say, Mr. Chairman, to the minister that this charge was made and documented at the public hearings in Washington which I attended on Feb. 18 and 19. The whole automobile insurance industry was unanimous in this and agreed on it and no real contra-arguments were given by the industry at that time. They couldn't. It was thoroughly investigated and thoroughly documented by one of the most powerful industries on the continent of North America. This was the surprising thing—that industry was now ranged against the automobile industry, yet up to this time they had been together.

Hon. Mr. Handleman: I wouldn't say there is anything unusual in that when industries serve their own interest. They are philosophical like that.

Mr. F. Young: Right, but they had documentation.

Hon. Mr. Handleman: As I say, the charges obviously were made. I don't dispute that they were. You were there and you heard them and apparently there was no effective rebuttal of that. The causes of rising prices, of course, are innumerable and again I wouldn't want to make the assumption that the increase in the price was sort of an effect of the reduction in the use of the parts, but certainly—

Mr. F. Young: But this type of an increase came only in these spare parts affected by crashes.

Hon. Mr. Handleman: The rate of increase in spare parts?

Mr. F. Young: This was the documentation.

Hon. Mr. Handleman: Because almost every part that I know of—of course I haven't bought them all—is up.

Mr. F. Young: Sure, but the instance I gave of a hundred—

Mr. A. Carruthers (Durham): What percentage?

Mr. F. Young: About one third; about 32 per cent.

Hon. Mr. Handleman: Over what period of time?

Mr. F. Young: Over the one year.

Hon. Mr. Handleman: One year?

Mr. F. Young: Last year; 1974.

Hon. Mr. Handleman: I don't know whether Mr. Thompson or his staff have any statistics which might have some bearing on this matter. Feel free to comment.

Mr. Wood: In monitoring automobile rate changes we try to keep abreast of the changes in factors which apply to the automobile. Certainly the cost of repairs is a major part of the reason the rates are increasing.

Mr. F. Young: These figures I gave are excluding labour costs.

Mr. Wood: They are the actual prices, I guess.

Mr. F. Young: The actual price of the crash parts, as they are called. Crash parts are the parts affected by a crash.

Mr. Wood: We don't have that particular statistic but we do have here a statistic from Statistics Canada showing the changes which have taken place in the last year.

In April last year, it had an index of 191. The index in April of this year was 239, with both labour and parts involved in that index. It is showing over a 20 per cent increase in that particular area alone.

Hon. Mr. Handleman: I wanted to say, Mr. Young, the interesting thing you just added was that only those parts which are mostly involved in automobile accidents went up by that percentage. I think that would be an interesting statistic to check out because that is a fairly dramatic difference. The fact is parts have gone up, because they have all gone up. You are saying that those parts such as fenders and other items which require replacement after an automobile accident have gone up far more drastically in price than other replacement parts.

Mr. F. Young: I have it in my records somewhere that I have supplied one of the people concerned particularly with safety, I think, in the Ministry of Transportation and Communications with the documentation from this Washington conference after it took place. I forwarded these documents to—I forgot the person's name, it starts with an "H" I think—but he is concerned—

Mr. J. K. Young (Deputy Minister): Mr. Humphries?

Mr. F. Young: No, not Mr. Humphries. One of the chaps in the ministry who is concerned particularly with the matter of automobile

safety. In any case it is in their possession, the documentation from the insurance industry of the United States.

I put this on record in Hansard—most of these facts—afterwards in my budget speech, or in the Throne Speech debate I guess it was. I have repeated this morning some of the facts which are there on record, documented and rather detailed in my address in the Throne Speech. This is a situation which I think has to have the attention of government and is a situation which just can't be ignored if we are interested in increasing safety resulting in lower insurance rates, as it should. Yet it is not doing it.

Hon. Mr. Handleman: Mr. Young, having the statistics before us as to the present index of car repairs, perhaps we should go further and attempt to find out the components of the increase and satisfy ourselves on that point. I can assure you that now it has been brought to my attention we will try to follow it up with Transportation and Communications or Industry and Tourism or whoever may have this figure.

Mr. Carruthers: Is the average a 20 per cent increase in parts? Did I hear that right?

Mr. Wood: Yes, the index from April, 1974 goes from 191 to 239.

Hon. Mr. Handleman: That's total.

Mr. Carruthers: I take it from Mr. Young that it is very obvious that those parts involved in accidents did go up significantly.

Mr. F. Young: From 152 to 200 in 1974.

Mr. Carruthers: I can't just understand what the motive would be, outside of trying to avoid accidents.

Mr. F. Young: In the Washington hearings the insurance industry claimed the motive was a very simple one; namely, that the industry was now seeing its sale of crash parts dropping drastically by 25 per cent. Therefore, in order to keep their profit picture up, the companies were recouping by increasing the price of the crash parts affected.

Mr. Carruthers: That is interesting.

Mr. F. Young: This is the charge that was made and that likely is exactly what has happened.

Mr. Carruthers: I would be very interested to know the further facts on that one.

Hon. Mr. Handleman: Yes, we would too.

Mr. Ruston: One thing in that same item though, Mr. Chairman, is that they are finding out now with this new crash bar bumper that the cost of replacing the bumper is three times as much as it was to replace a bumper before. My neighbour had one where he just hooked it. I forget the exact circumstances, but if the other old bumper had been bent it was just straightened out a little. With this one he would have to have a complete new unit which would have cost him \$340. You have to be careful about what you add to a car when you calculate your cost of replacements.

Mr. F. Young: I might just respond to that, Mr. Chairman. Again the figures are in Hansard in this regard. The charge was made in Washington at these hearings that the industry, or at least part of the industry, had deliberately built much heavier bumpers than needed to meet the 5 mph standard. In a high speed crash, for example, where any bumper would go, regardless, it cost more to replace them, and in this way they also recoup. The standards are being met by very light bumpers. Bumpers were demonstrated in those hearings which were extremely light and which could meet the standards.

I can give you a couple of figures here. Replacement prices among the subcompacts range from \$254 for the Chevrolet Vega to \$408 for the Ford Pinto, and both of them meet the standards. Among the intermediates, it ranges from \$424 for the Plymouth Fury to \$553 for the Ford Torino. Among full-size cars, the Chevrolet Impala bumper costs \$387 and the Ford LTD \$532. In other words, the Impala bumper at \$387 meets the standard, but the Ford LTD saw fit to add costs to the tune of \$532. And, the same thing—the figures are here for bumper replacement parts. It was proved at the hearings that much, much cheaper bumpers than many of the cars were using could meet the 5 mph standard without difficulty at all.

Mr. Carruthers: At high speeds, it doesn't make any difference at all.

Mr. F. Young: It doesn't make any difference at all.

Mr. Carruthers: I think it develops a certain degree of false security on the part of the owner.

Mr. F. Young: When you think in terms of it being only 5 mph that he is being protected from—

Mr. Carruthers: Yes, but if you have a bumper—

Mr. F. Young: —it is minor damage. A large percentage of the damage has been done in speeds up to 5 mph. This is meaning a great deal in the saving of expenses in minor crashes and bumps in parking lots and low-speed crashes. At the same time, we are not reaping the benefit from it. The motor car industry is still getting the same profit, and yet the insurance industry is very concerned because it and the consumer are not gaining any benefits at all.

Mr. Chairman: Any further questions?

Mr. Renwick: Mr. Chairman, the minister will recall, if I can turn to this other topic of the Creditors Group Insurance, that he wrote to me about them on April 24, referring to the guidelines which had been developed. He wrote to me in response to an inquiry I addressed to him because a year ago in the estimates we had raised this question of Creditors Group Insurance. Then we were immediately visited by representatives of the Canadian Life Insurance Association to explain to us that they were certainly not the beneficiaries of the kickbacks in the system.

You stated in your letter to me of April 24 of this year, Mr. Minister, that data is now being collected for 1974, which should give further insight into past experience. I wonder whether or not you or the superintendent would care to comment about the effectiveness of the guidelines and what improvements it has brought about; and whether or not the premiums on group insurance being charged to borrowers are now more in line with what the actual costs of that insurance are?

Hon. Mr. Handleman: I don't know whether the superintendent has more up to date information than that which was given to you.

Mr. Thompson: No, I think we can't comment on that, sir.

Mr. Renwick: Not at this time?

Mr. Thompson: I don't have any more data at this point, Mr. Renwick, but we are still working on it. I think there were a number of matters to be corrected—and I think basically they have been but the effect of it is something that we want to see in statistics to ensure in fact, that it is working.

Mr. Renwick: Undoubtedly these were very substantial rebates of premiums to the credit granters. Of course because of the great diversity of borrowers, the immense number of them, it required government intervention in order to deal with it. Otherwise there appeared to be no known way of rebating apportionate

amounts of that rebate to the actual borrowers who had originally paid for the insurance coverage.

I think even the minister's letter recognized there were abuses in that and the guidelines that were developed were designed to ensure that the rebate system was eliminated, and that neither the insurers or the credit granters derived a fortuitous benefit from the borrowers or the various credit granters.

Mr. Thompson: This is a programme that is going to take several years. I must say it was far more extensive than we anticipated when we got into it. We thought at that time there might be some 50 contracts involved, and there were well over 200. We have examined each and every one, and required amendments to them. We really haven't the benefit of the first year's experience, statistics-wise, to indicate the effect of the guidelines. We'll keep going back.

Mr. Renwick: Were there, in fact, substantial rebates of premiums?

Mr. Thompson: Yes.

Mr. Renwick: I have one last comment on insurance, although I do want to comment or ask some questions about the motor vehicle accident claims fund.

We have had the proposed Insurance Bureau's no-fault scheme, and then there was the immense flurry in the paper by the Advocates' Society and their proposals to the minister, and then the insurance agents themselves made proposals. How many proposals and variations, in broad terms, do you now have about improving the automobile insurance scheme, other than the NDP one?

Hon. Mr. Handleman: Oh no, I count that.

Mr. Renwick: Other than that one? Is there any way in which you are reconciling these various differences of opinion that will, in fact, come through in legislation which will be of benefit to everyone.

Hon. Mr. Handleman: I think it would be truthful to say that we are attempting to reconcile them. We have asked the authors of the Vari-Plan, the Advocates' Society, the adjusters—whom you didn't mention—who are also involved in any true no-fault insurance that may be developed, to restudy their proposals. We have looked at other jurisdictions which now have proposals on the books; New Brunswick is one. I am meeting with Mr. Tetley next week to discuss what Quebec may have in mind. I am quite sure that out of this,

aside from the NDP position, will evolve a plan which will be in the public interest.

It is very difficult to ignore the Advocates' Society's quite legitimate concern for the sacred rights of tort; at the same time maybe some of those rights have to be chipped away a little bit in order to reduce premiums, reduce costs of insurance by a no-fault system which would undoubtedly reduce costs. I think the Vari-Plan which was put before us certainly did indicate that it could reduce costs, but it would, of course, remove some of those rights which have been struggled for over so many years by the advocates under the common law system. So, we're trying to arrive at some kind of, I suppose you would call it a compromise position, between various interest groups, and how soon we'll succeed is perhaps your guess.

Mr. Renwick: What are the major presentations? There's the Law Reform Commission report.

Hon. Mr. Handleman: The IBC Vari-plan, the Advocates' Society and the adjusters group that has put a position to us—there is the New Brunswick situation, there are some recommendations in McWilliams as well; Quebec, the Gavin report that Mr. Tetley wants to discuss with me. There are six or seven and I would say that they're certainly not reconcilable at the present time. Somebody is going to have to give way, and obviously government will eventually make the decision.

I must say that, just at first glance on some of the original analyses, I'm not terribly impressed with the New Brunswick plan that Mr. Singer seems to be enamoured of. I don't really think it's as good as the one we have now.

Mr. Renwick: And the Law Reform Commission one?

Hon. Mr. Handleman: We're putting them all into the bag and sort of shaking them up. I wouldn't want to express a preference at the present time. I must say that I thought the Advocates' Society's reasoned criticism of the Vari-plan were what led us to reject the Vari-plan in the form it was presented to us. But we don't accept the Advocates' Society as completely the altruistics approach to it either.

Mr. Renwick: Is it a matter of priority and of urgency in your ministry, or is it a matter which is just gradually an ongoing thing which may or may not happen?

Hon. Mr. Handleman: No, I would say we're always conscious of it and we recognize that

perhaps we're moving slower than some people would like us to move, perhaps slower than we would like to move. But certainly it's not one that we're allowing to drop. As a matter of fact, I've been pressing for the meeting with Mr. Tetley. I understand he likes to visit Toronto, so we had until he could come here. I was prepared to meet him anywhere.

Mr. Chairman: Any further questions? Does item 3 carry? Item 3 agreed to. Item 4, motor vehicle accident claim fund.

Hon. Mr. Handleman: Mr. Thompson will remain for this, with Mr. Gilchrist, director of the branch which administers the fund.

Mr. Renwick: I have no specific problems to raise with Mr. Gilchrist, because every time I have occasion to correspond with Mr. Gilchrist not only do I get a full and complete reply, I get it promptly, with a full explanation of what it's about.

My concern is rather—and it's like being a ventriloquist, because this is information which was furnished to us by inquiries that we made to Mr. Gilchrist—as I understand it, somewhere in the neighbourhood of about five per cent of the drivers in Ontario use the fund and pay the \$20. I'm concerned about two things. There are still a large number of people who think that that's insurance. There must be some procedural way—with great respect to the document which is used to explain it and the deputy minister gave me a set of these various documents this morning—I think this is misleading. The heading is, "The Motor Vehicle Accident Claims Fund and the Need for Adequate Liability Insurance on Your Car." The very person who thinks the Motor Vehicle Accident Claims Fund is insurance would, just by the nature of that heading or title—do you understand the sort of inference?

Mr. J. K. Young: Yes.

Mr. Renwick: If you read this carefully, it says it doesn't cover but it says, "This pamphlet is a digest of the Province of Ontario's Motor Vehicle Accident Claims Fund and an explanation of why you need liability insurance on your automobile." I would assume that a lot of people would say, "That's great. I can pay the \$20—"

Hon. Mr. Handleman: It is \$40 now and going to \$60 but it is still not insurance.

Mr. Renwick: All right. "I can pay \$40 and I will have the benefit of this coverage." I draw that to your attention because I think it is a reasonable inference that a person of that kind might draw.

Hon. Mr. Handleman: I think you are quite right and somebody may charge us under the Business Practices Act with misleading. I have been saying at almost every opportunity that this is not insurance. Perhaps right on the cover it should say that the uninsured-driver fee you pay is not insurance.

Mr. Renwick: There must be some procedural way by which when a person who has no insurance is applying for his licence, he is told. Perhaps you could have a wicket for people with no insurance and at that wicket you take the trouble to tell them, "You don't have any insurance. You are not covered by insurance." You add something to his licence to say, "You have no insurance." There must be some way of bringing that home to people.

Mr. F. Young: They are buying a loan only.

Mr. Renwick: A large number of people are still under that misapprehension.

Hon. Mr. Handleman: I agree with you entirely. It is certainly something I can discuss with my colleague, the Minister of Transportation and Communications (Mr. Rhodes), who is responsible for issuing licences. I think our responsibility is to make sure that we keep repeating as often as possible and making it as clear as possible that your \$40—or \$60 as it is going to be in December—is not insurance. It simply isn't insurance in any form whatsoever.

Mr. Carruthers: When they get a licence is the time to get it.

Mr. Renwick: I would think you might reduce, quite substantially, the number of people availing themselves of that fund if they were absolutely categorically clear in their minds about it. I know people come in to the legal aid clinic I attend on Wednesday evenings and say, "I have been involved in a motor vehicle accident." I say, "Have you got any insurance?" and they say, "Yes, I am covered under the Motor Vehicle Accident Claims Fund." I have to spend the next half hour explaining that you will be back to him to collect from him.

Hon. Mr. Handleman: Mr. Gilchrist has something to say.

Mr. H. N. Gilchrist (Director, Motor Vehicle Accident Claims): Mr. Renwick, Mr. Young, too, you will remember last year when the fee went up, we displayed notices in 300 registration offices, the Ministry of Transportation and Communications, throughout the whole province, explaining it very clearly in simple language. In addition, we issued pamphlets—which I think I probably have and I will send

to you gentlemen—in English, French and Italian—explaining that it was not insurance. I hate to tell you but in the Ferguson block, if you went in late in the afternoon, you would find a lot of them on the floor. Nevertheless, we did put it out in three languages, spelling it out loud and clear.

Mr. F. Young: A lot of people don't read beyond the headlines.

Mr. Gilchrist: They don't, sir. That's the trouble.

Mr. F. Young: I get the same sort of thing. People who have been involved in an accident come in and they think they are covered. Again, I have the problem of telling them, "You are not covered. All that is happening is the provincial government will lend you the money for a period of time and it will collect from you." This comes as a very great blow to many people.

Mr. Gilchrist: It does.

Mr. F. Young: They just don't understand. How we can get the message through to people, I am not sure, but certainly a headline like this doesn't help.

Mr. Renwick: This again just obviously follows on from that. What is the problem about linking automobile insurance directly with the licensing system in eliminating this fund, or for practical purposes eliminating it? Why can't it be made part of the law that you can't drive unless you are insured and carry the standard automobile policy?

Hon. Mr. Handleman: I touched on that when I was replying to Mr. Ruston earlier. We have no philosophical problems with compulsory insurance. We think people should have insurance. Raising the fee may be in some way trying to tell people they should have insurance; it's getting more expensive not to be insured. It may not work.

Our problem—and it's something like schools—is that if you make it compulsory, then it should be available. If there is compulsory attendance, you must have a school to go to; if you have compulsory insurance, you must be able to buy it.

I quite recognize that under a system of private insurance the insurer would then have to be able to supply insurance at a price that would be reasonable. Otherwise he would in fact be defeating the whole purpose of compulsory insurance. He could make it impossible for a person to buy it by setting the premium so high that he couldn't afford it.

Then we get back to the question of whether those people who would be in that category should be taken off the road. I'm speaking now about my personal opinion, and apparently at least one member here agrees with me, that people who are very bad insurance risks should not be allowed to drive.

Then you have the dilemma of how long they should be deprived of this privilege of driving. Do they become better drivers simply because they have been deprived of the privilege for a period of time? Do they reform? We are wrestling with the problem.

I can tell you it is one that my colleague, the Attorney General (Mr. Clement), and I have now been discussing for several weeks. There simply doesn't seem at this moment to be a way out of that one problem, which is now over in Transportation and Communications, about licensing people the insurance industry would say shouldn't be driving. I might agree that they shouldn't be driving; they are hazards on the road.

Mr. Ruston: Do you have any records to know what people take this type of coverage? Are they definitely young people who have to pay a terrific fee so they don't take regular auto insurance? Or do you have some cases of people who may not have accidents and just don't bother with insurance? Do you have any records so far as that goes?

Mr. Gilchrist: No we operate entirely on a manual system. From observations, it's quite clear that a lot are younger people, as you say, who probably couldn't get insurance except at a high fee. There are the other people who frankly couldn't get insurance because of their record, who are paying it. Then we have the other cases coming to the fund, where they have neither paid the fee nor bought insurance.

Mr. Chairman: It's shocking, the number of accidents by drivers whose licences are suspended.

Mr. Carruthers: That's right. You get a lot of people on the road who are driving without a licence. There is no protection then for the injured party.

Hon. Mr. Handleman: Mr. Chairman, I just wanted to mention that when the present Attorney General was acting in this portfolio he made it quite clear that the percentage of insured in Ontario without compulsory insurance is equal to that in other jurisdictions where they have compulsory insurance. There will always be a percentage of drivers who avoid insurance in one way or another. I have asked the insurance companies to develop a system

of some kind for retrieval of information so that when people cancel their insurance at least we know about them.

This can happen. You can buy insurance on a monthly basis. It's not a monthly basis, but an annual premium payable monthly. You make the first monthly payment on your premium, get your pink card and then stop your payments. We have no way of finding out who those people are who are driving around without insurance and who have not even contributed to this fund.

I have asked the insurance companies to develop this. They have promised me they will start to work on it. When we have that kind of a system going it would be a help.

Mr. Carruthers: Is there no law that they must advise you of cancellation?

Mr. Gilchrist: It is only under the financial responsibility law that they advise, but since the financial responsibility law was changed, there is no advice when insurance is cancelled, to the owner of the transferred car.

Mr. Carruthers: That would mean that somebody could be driving without a licence and—

Mr. Gilchrist: It's as the minister says. You can pay one month's premium.

Mr. Carruthers: —there is no protection?

Mr. Gilchrist: Well, of course, you have the fund, Mr. Carruthers. Keep in mind the fund compensates irrespective of whether the fee is paid or not. The fund compensates the innocent victim.

Hon. Mr. Handleman: We can have uninsured drivers from other jurisdictions who have not contributed to the fund, and the fund would protect the injured party.

Mr. Gilchrist: And where a person is driving under suspension, we still compensate the innocent victim under the fund operation.

Mr. Carruthers: What if a car is stolen? I had a case recently where a car was stolen and hit a third party. It was a serious accident. The police happened to be close by and chased him, but they lost him. They never did find him. Does the accident claims fund compensate in that case?

Mr. Gilchrist: Do you mean the driver was not identified?

Mr. Carruthers: Yes, they can't identify the driver.

Mr. Gilchrist: That's an action against the superintendent of insurance. That's an action

against the registrar or the superintendent of insurance.

Mr. Renwick: Tell me, does the loss experience indicate that people are high risks?

Mr. Gilchrist: Oh yes.

Mr. Renwick: I understand they are high risks in the sense that, as you say, a large number of them are within the younger high-risk group—

Mr. Gilchrist: That's right.

Mr. Renwick: —but are there any statistics which would indicate that, compared with people in the same age group, their loss ratio is higher?

Mr. Gilchrist: Oh, yes. I'm dealing not only with the high-risk drivers, but invariably the accidents are bad, very bad. The number of uninsured people who are killed in these accidents really is just fantastic when you look at the figures.

Mr. Renwick: It seems to me that we're so wedded to this that it's by far the worst solution. There will always be a place for a Motor Vehicle Accident Claims Fund because of the innocent person in Ontario hit by a person from another jurisdiction and that kind of problem, and because people will drive who aren't insured, regardless of what it is. It's the same under any insurance scheme; it's the old question, "What do you do with the guy who just refuses to come under the health scheme?"

It does seem you're really going to have to more or less bite the bullet and make it compulsory, after you've sorted out these problems of making certain that in fact the number of people who can avoid being insured is limited, such as your retrieval system, on a policy.

Mr. Chairman: Are there any further questions?

Mr. Edighoffer: Earlier, it was mentioned that probably five per cent are covered. I didn't hear whether that is the correct figure.

Hon. Mr. Handleman: Yes, it's in that area.

Mr. Gilchrist: We estimate approximately 3.5 million vehicles registered in the province, and anywhere from roughly five per cent or about 140,000, pay the fee. These are estimated figures.

Mr. Renwick and Mr. Young know that I have always emphasized that we consider that is perhaps a conservative approach, because the only reports I have are accident reports that

are reported to the police or on the checkups by the police at Christmastime and other times. But I think it's fairly accurate to say that roughly five per cent of the vehicles in the Province of Ontario are operating under the fee.

Mr. Edighoffer: I have only one other question about this item in the estimates. Services are up about 50 per cent. What's the reason for that?

Mr. Gilchrist: The reason for that, quite frankly, is that there has been a substantial increase in the number of claims, and there have been increases in professional fees, costs of investigation and everything like that.

Mr. Ruston: Are lawyers charging more?

Hon. Mr. Handleman: No, just more of them are being used.

Mr. Gilchrist: If you take those figures, you'll see that we paid approximately \$10.5

million last year. Last year you voted us \$982,000. That's about 10 per cent in professional fees. That's really the increase—the increase in the number of claims. In the month of April alone we had an increase of 250 over the previous April—just in one month alone.

Mr. Chairman: It is now one minute after 1. Shall this item carry so these gentlemen won't have to come on Monday?

Mr. Renwick: Yes.

Mr. Chairman: Item 4 is carried.

Hon. Mr. Handleman: We're not coming back on Monday.

Mr. Chairman: We're not coming back on Monday? Then we'll be notified of the next meeting. Thank you.

The committee adjourned at 1 o'clock, p.m.

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